

131. Have you any brothers?—One under twenty-one and two younger.

132. Have you been constantly employed all the time at carpentering work?—Not altogether. We have spent a certain amount of time on the land.

133. Have you been stumping it?—Between the two of us 90 acres has been felled, and we have logged up.

134. Is it swampy land?—Not altogether swamp, yet some is of a swampy nature.

135. Do you think under any circumstances you are likely to be successful with the land when you have so little done in all this time?—I think it may be all right if we could get it cleared.

136. Do you think the land will be any good to any one unless it is cleared?—Not such land as that. I think the Government made a big mistake in cutting up such land for farm settlements.

137. *Mr. McCutchan.*] You say that the section next to you has been disposed of at 7s. 6d. per acre with all improvements?—Yes, to a young fellow working for my father.

138. Can you say positively that these improvements have not been loaded on to the section?—Not positively, but I feel almost certain they have not.

139. What do you value the improvements on the section at?—At the same price as I paid for felling—£1 12s. 6d. per acre. Some of it is in grass, and the remainder grew up in fern.

140. Do you not think the Advances to Settlers Department had a sufficient reason not to advance the £100 when it was to help your brother to take up land?—They only refused on the ground that the place was in a dying condition.

141. From whom did you get that information?—The refusal came direct from the office, but Mr. Page valued the land, and he told me that was what he would report.

142. You say that seven out of the Marlborough settlers remain: why did the rest leave?—Eight came up with me ten years ago and had a look at the land, and directly they saw it they left again. I suppose they did not consider the land good enough. Others also left. They could not get good burns, and they could not get any returns.

143. *Mr. Paul.*] Did the Marlborough special settlers hold a meeting?—I do not know.

144. Did they appoint you at meeting assembled to represent them?—No. Two of them asked me to represent them as they could not come here to-day.

145. Have you given any study to the question of revaluation of future leases in perpetuity?—I think the land should be revalued.

146. In your case it appears your rent is too high: if the principle of revaluation were in force you would get a reduction?—Yes, I feel certain we would.

147. You believe, then, it is a sound principle?—I believe it is.

148. *Mr. Anstey.*] You represent two Marlborough settlers besides yourself: what do they principally want?—They simply state the land is valued too high.

149. What is the value of the sections?—12s. 6d. on the main road and 10s. on the cross road. The settlement is on the main road from Taheke to Kaihu.

150. Can you give any reason why these settlers abandoned their holdings?—Simply because they could not make a living.

151. Suppose you got a reduction of 25 per cent., would that make the difference between being able to live and not being able to live?—I do not think 25-per-cent. reduction would be enough.

152. Most of the settlers are under lease in perpetuity?—All of them.

153. Are they fairly satisfied with their tenure if the rent is reduced?—I think they are. I myself do not see any chance of making anything out of the land to buy it out.

154. *Mr. Hall.*] You say you believe in the principle of revaluation?—Yes.

155. Is that because your land is valued too high?—Yes.

156. If you happened to hold a section valued low, would you believe in it being revalued and raised? Do you believe in the principle of revaluation, apart from your own holding?—Yes, in regard to that land.

157. But in dealing with all lands?—Yes.

158. *Mr. Forbes.*] What kind of grass did you sow on your land?—I have put in cocksfoot, ryegrass, tall fescue, brown-top, crested dogstail, Cheewing's fescue, and white and red clover.

159. Your rent is about 5d. an acre. It must be very poor land when it will not more than return that when you have got it cleared?—I run cattle in the bush. It is poor land. It would not pay the rent.

160. Do you not think you are wasting your time in struggling with a piece of land so poor as that?—I think so. If I could sell out I would do so, and go somewhere else.

161. *Mr. Matheson.*] Did the man who came to select the land for the association reside on a section?—No.

162. *Mr. Johnston.*] What will the land carry in grass?—If it was cleared it would carry one beast to 5 acres, or one sheep to 1 acre.

163. Do you think that such land is too dear at 5d. an acre?—It costs a great deal to fell the bush.

164. You referred to one settler who has given up his land: has the land gone back into scrub?—Yes.

165. So that, really, the improvements you complain of him losing do not now exist?—Yes, the place has gone back.

GEORGE GLOVER examined.

166. *The Chairman.*] What are you?—I am a storekeeper and settler, and also a member of the County Council. I have 90 acres of freehold land. It is within a mile of Taheke. I have been in this district for twenty years.

167. Is there any particular matter you wish to bring before the Commission?—I want to bring before the Commission a notice that a settler has received from the Parnell Borough Council. He has been improving this land for sixteen years. Twenty years ago he took up two other sections. He has been informed that if he does not pay up the amount said to be owing in respect to these other sections that the borough will forfeit all his leasehold land, including the section on which he has built a house. That is a sample of landlordism. I wish also to say this: that the Government have sent up a young man to survey land here, and he has also been instructed to value the land. He has no idea as to the value of the land. That is causing a great deal of trouble. I applied to the Government to open up a piece of land owned by them, but two years have elapsed and nothing has been done. The area of that piece of land is 300 acres.

168. What is your opinion with respect to the freehold and leasehold tenures?—I think that every one should have the option of the freehold. The leasehold is very good to begin with in the case of a man without capital, but he should always have the option of purchase. I think a leasehold is simply a mortgage on your place for ever.

169. What is your opinion with respect to the present constitution of the Land Board?—It seems to work very well, but I think local bodies should have some representation on the Board.

170. *Mr. McCardle.*] Have you had any experience of the Advances to Settlers Department?—No.

171. Is there much land that is so valueless as has been represented to us?—Some. The quality varies.

172. Is it not fair grass land?—Yes, but most of it is held by the Natives.

173. Are the settlers attempting to put the whole of their land in grass?—Only a few.

174. I suppose the reason is because they can get more profitable employment outside?—They are compelled to go and look for employment outside. A man cannot make a living on 50 acres of that land.

175. *Mr. McCutchan.*] Do you approve of the dual control of the roads by the County Council and the Government?—No.

176. Which do you think should control the roadwork?—Whichever has the means. In this county the County Council has no means, and the Government should certainly control the roads. I would advocate the Government making the roads and handing them over to the local body, but the local body cannot construct the roads and look after them without any means. I think the Government should metal all the main roads before handing them over to the local body.

177. *Mr. Paul.*] Have you had any experience of the working of the land-for-settlements policy outside this district?—No.

178. *Mr. Anstey.*] Do you approve of the present system of Government grants?—We are very pleased to receive them.

179. Can you suggest any better method than the present?—I think if the Crown lands were all thrown open for settlement we would not require these grants.

180. Do you think it would be a wise thing to collect rates on Government land?—I do not think it would be necessary to collect such rates if that land were all settled. In this county the Government only own a small area. It is the Native land that is hampering us.

181. *Mr. Hall.*] How it is that the Native land is hampering settlement?—Because the title has not been ascertained.

182. *Mr. Matheson.*] Have you had any dealings with the Land Board?—No.

183. Has the County Council had any dealings with the Land Board in respect of "thirds"?—Yes.

184. Have they been satisfactory?—Yes, so far as I know.

185. *Mr. McCutchan.*] You referred to a surveyor's valuation as being unsatisfactory: do you think that the surveyor does not value the land accurately?—I am certain of it.

186. But surveyors know the values of the adjoining land. They are a guide, are they not?—Yes, but there is no adjoining land that has been settled. It is Native land.

187. Are the surveyors' values revised?—Sometimes, but the tendency is to keep to their values.

188. You do not approve of loading for roads?—I think it is rather hard to load land for a road when the settler does not get a road at all.

189. Then, it is not the principle you object to, but it is the administration?—Yes.

MICHAEL O'CONNELL examined.

190. *The Chairman.*] What are you?—I am a settler, and hold 100 acres under lease in perpetuity. I have held 50 acres for eighteen years, and the other 50 for seven years. My rent for one section is 7d. an acre, and for the other 5d. an acre. My land is at Punakitere. I am satisfied with my land and with the tenure.

191. Is there any particular point you wish to bring before the Commission?—I have heard a good deal about the Land Board, but I am satisfied with the present constitution of Land Boards.

192. Have you had any dealings with the Advances to Settlers Department?—Yes.

193. How did you get on?—Very badly. I applied for £50. They sent up an officer to value the land, and I paid the usual fee, and I was informed that as I already had an advance of £33 10s. I could not get a further advance.

194. *Mr. McCardle.*] I suppose you got the first advance under the village-homestead-settlement system?—Yes.

195. That is held to be a first mortgage, and the Advances to Settlers Department cannot make a second one?—I was not aware of that.

196. *Mr. McCutchan.*] Your land is under lease in perpetuity?—Yes, and I am very well pleased with it.

197. You have no fear that your lease will be interfered with by the Government?—My opinion is that the Government will not break a contract with any man.

198. I do not think so either; but supposing the labour organizations in the colony, who are working scientifically and thoroughly to break these leases, get sufficient influence to put a Government in power to represent their views, do you not think there would be some danger of revaluation?—If they do that they might as well turn New Zealand upside down altogether.

199. *Mr. Paul.*] Do you not think you would be much better off if you had a freehold?—No, I do not think I would, because if I got into debt and had not the means of paying it the land would be taken from me.

200. You think there is something very substantial in the leasehold tenure?—Certainly. It has been said that some of the settlers' houses on the homestead settlement have gone to ruin, but when rag-pickers, bone-gatherers, and other undesirable persons were sent up as settlers—people who had no knowledge of the land—it is natural that their places should go to ruin.

201. Reference has been made to the attitude of the labour party: do you not think that some of the settlers themselves are to blame in advocating a breach or variation of the agreement with the Government? Do you not think the Government should stand to its bargain, and that the tenant should also stand to his bargain?—Decidedly. When there is a contract both parties should stand to it.

202. *Mr. Anstey.*] How much of your land has been cleared?—About half of it.

203. Can you make a living on it?—Yes.

204. Do you work outside?—Yes, a little.

205. Would 100 acres of that land be sufficient if it was cleared to keep a man in comfort?—Yes.

206. *Mr. Forbes.*] Are the settlers around you clearing their land?—They are doing all they can. The sections will not keep them, and they have to do some outside work from time to time.

207. *Mr. Matheson.*] If you had a piece of leasehold land and you or your children after you should have sufficient money saved to buy the freehold without borrowing, do you think it would be an advantage to be able to buy the freehold and have no landlord?—I would have to study that.

OHAEAUAI, THURSDAY, 18TH MAY, 1905.

JOHN BETTS CLARKE examined.

1. *The Chairman.*] What are you?—I am a farmer, and farm 500 acres held under freehold tenure. I have been farming here for forty years.

2. What is your opinion with respect to the freehold and leasehold tenure: which is the best tenure in the interests of the country and in the interests of the settlers?—I think that in many cases the leasehold has been a wonderful help to settlers, but I am in favour of the freehold whenever settlers are in a position to acquire it. But as a start for any one taking up bush land, or any land of the kind, the fact of a settler not being obliged to lay out so much capital in the purchase of the land, thereby saving his capital for improving the land, is a great help; but I think, as soon as he is in a position to acquire the freehold he ought to be allowed to have it.

3. You believe in the occupation with right of purchase?—Yes; and when the terms of the arrangement are fulfilled I think that at any reasonable time he ought to be allowed to acquire the freehold as he is able to pay it off, in part or in one sum, the rent being decreased in proportion.

4. There has been a good deal of the homestead-settlement system in this part of the colony. Do you think that is a good system?—I think it is a very favourable one, and one to be commended in these out-districts. But in respect to the homestead system, the gentleman who is to follow me has been a homestead settler himself, and he is better able to speak on that subject than I am.

5. I understand that you are a member of the Farmers' Union. Do you represent that union in any way?—Yes. I am chairman of the local branch, and I have been deputed to give evidence on their behalf.

6. Is there anything you wish specially to bring before the Commission as representing the Farmers' Union?—No. The only question is that of the land-tenure—the option of purchase—and on that I think we are all unanimous.

7. What is your opinion in regard to the constitution of the Land Board?—I think if two members of the Board were elected by the people and two were nominated by the Government it would be better than the present system.

8. Under what franchise would you elect them?—As far as possible they should be people who are well acquainted with agriculture—practical farmers would be the best men.

9. Would the ratepayers of the county do?—I think they would be very good people to elect the members of the Board.

10. Would you include the towns in the election of members?—I do not object to the small towns. I think they should be elected by the ratepayers generally. I would like to add as a suggestion that, when the Board meets to discuss any land question of importance, one member of the County Council of that county in which the land under discussion is situated should represent the Council as having the local knowledge which might be of service to the Board, such member of Council to have during such discussion the same status as other members of the Board.

11. Is there any aggregation of estates going on in this part of the colony?—No.

12. Is the tendency the other way?—Yes. In the case of good land the tendency is that it should be held in smaller holdings, but in the case of indifferent land and poor land it must be held in large holdings in order to make a living off it. There are no large estates here.

13. Do you know anything about lease-in-perpetuity holdings?—There are none in this immediate vicinity. There are some four or five miles off, but I am not well acquainted with that subject.

14. Do you know of any restrictions that are inimical to their progress?—I do not know. As to cropping, I think they only do sufficient for home requirements. Might I offer a suggestion with regard to Waste Crown Land Boards, and that is that the land should be divided into more classes than at present. What I mean is this: there is good agricultural ploughable land, medium-class land, and indifferent land, and then again there is bush land. Good bush land ought to be treated separately. Then, there is broken country and second-class bush land and swamp land. I think they ought to be under different classes.

15. But does it not happen frequently that several of these classes are in one section of land of, say, 200 acres?—Not very often, I think, here. It is generally one class or another. As I have said, I think that it would be well if the classes were more minutely divided than they are at present.

16. What grasses do you find do best here?—It is rather hard to say, because there are different varieties of land in close proximity. Some of the land, as you might have noticed in your journey yesterday, will carry almost any English grasses, but there are other second-class lands that will only carry a few English grasses, and there are some third-class lands that will only carry some indigenous grasses like danthonia. On the better land rye, cocksfoot, and clovers do splendidly, and on medium land you have to do without rye and probably the clovers. Cocksfoot will do a little better, and Cheving's fescue and some of the hard-doing grasses. When you come to the poor land you have to fall back on *Poa brownii* and danthonia, and other such grasses.

17. We have heard a good deal about the paspalum?—I have had no experience with it. I believe it does well.

18. Does surface-sowing result well when it is properly done?—On the volcanic land it does well, except that there is great trouble in getting rid of the fern. On some of the clay land surface-sowing will hardly do at all unless the surface of the ground is broken.

19. *Mr. McCutchan.*] You are a member of the Farmers' Union?—Yes.

20. How many members are there in your branch?—I think there are about twenty-five.

21. In speaking with reference to land-tenure are you expressing the unanimous view of the members of this branch of the union?—Yes.

22. They advocate the occupation-with-right-of-purchase tenure?—Yes.

23. Does that mean that your branch of the union desires to see the 999-years lease removed from the optional tenure or done away with?—It might be done away with. The right of purchase, I take it, would do away with that in a measure. I think the right of purchase should be allowed in every case when the tenant is in a position to pay for the land.

24. Therefore your branch of the union is in favour of allowing the Act to remain as it is, with the alteration that leaseholders under the 999-years lease should, when they have made the necessary improvements, have the right of acquiring the freehold on paying the 1-per-cent. difference?—Yes.

25. I understood you to say that you thought these people should have the right of purchase when they have made the necessary improvements. Would not that allow speculators to make the improvements within twelve months, and thus get the freehold?—I do not think that would occur.

26. Would there be anything to prevent that?—I think a clause should be inserted in the Act to safeguard that.

27. In what way?—That would be for the Government or the Department to decide.

28. I think that is a difficulty that could not be got over?—It might be at a given time, just the same as in the option with the right of purchase. In that case I think it is only after ten years that they can exercise the right of purchase.

29. Would you be in favour of that remaining as it is?—I do not see any objection to it, but you might alter the tenure to a shorter period, say, seven years.

30. You said before that it might take place at any reasonable time—you said you would allow these people to acquire the freehold at any time after making the necessary improvements?—I should say within a reasonable time, say, in seven years.

31. Have you any knowledge of the operation of the Advances to Settlers Department?—Not very much.

32. What are your views in respect to the Native-land question?—That is rather a burning question up here. I may say that I am a member of the local governing body, the County Council. The question of so much unoccupied land which is paying no rates and doing no good to the country is one of our burning questions. If the Maori land could be brought in some way into the same position as endowment lands are—that it could be leased by settlers, of course, under certain restrictions—it would be a good thing. As it is now, I think I may say that the pick of the country is still in their hands and they are doing little or nothing with it, and it is bringing in no revenue to the local body as far as rates are concerned, and, generally speaking, it is a great drawback to the country. In speaking of utilising the Maori land, I wish it to be understood that I do not for one minute intend that any injustice should be done to the Natives, but if the Native land could be taken over by the Government and be administered for the benefit of the Natives, allowing them reserves enough for all reasonable requirements, I think it would be a good plan. The Natives would be infinitely better off than they are at present, and the country generally would be benefited. Owing to the land not being individualised the Natives are unable to do any improvements satisfactorily. I may mention a case in point. In the neighbourhood of Kaikohe, through which the Commission passed yesterday, and which is one of the picked spots of the county, one of the more enterprising of the Natives started fencing in and sowing-down grass. He fenced in a block of about 150 acres, and after he had got it nicely in grass his neighbours all round

began to turn in their cattle and horses. When he expostulated with them they said, "The land is as much ours as yours." So that the Natives are unable to do any good with the land in that way. It is only much capital locked up and doing no good to any one. If this land could be managed by the Government in some way it would bring them in a considerable revenue and it would increase the revenue of the local body, and, in fact, would add to the wealth of the country altogether.

33. Has there been any increase in land-values in this district during the last few years?—Yes. I think the last Government valuation showed a rise all round of 25 per cent. on all property—some of it pretty nearly double, and some of it remained about the same. The last valuation for rating purposes was about 25 per cent. higher than the previous one.

34. In speaking of classifying the land you expressed the opinion that there should be a wider classification. As to the poorer land in the North of Auckland, do you think the minimum price of 5s. an acre is excessive?—There is a lot of the land that I would be sorry to give 5s. an acre for.

35. *Mr. McLennan.*] You said you were in favour of Crown tenants acquiring their holdings by paying off portions of the purchase-money from time to time. Would you apply that to future leases?—I think so.

36. You are not in favour of breaking the contract that exists between the Crown and its tenants at the present time?—Rearranging a contract is not breaking it.

37. You would not compel them to alter the contract?—Certainly not.

38. Would you be in favour of the Crown acquiring all the Maori land of the colony and investing the money, and settling the Maoris on the land under lease in perpetuity or some other lease?—I have not gone into details of a scheme of dealing with Native lands, but if the Government could take over management of Maori lands, leaving the Natives sufficient for their own cultivations, and if the Government administered these lands for the benefit of the Natives, it would, I think, be a good thing for the Natives, and would benefit the colony generally.

39. I mean, by leasing it to the Natives and giving them the same privileges as Europeans?—No. I think I would be inclined to allot them certain portions of land which they could hold as their own freehold.

40. Is the value of leasehold land increasing in a similar way to freehold land?—I do not think so—not unimproved land.

41. Not in the same ratio?—No.

42. If you are going to interfere with the present arrangement, and if the tenants are to get the freehold, on what terms do you think it would be fair to give them the option?—I understand that tenants under the lease in perpetuity and under perpetual lease pay 1 per cent. less than those with the option of purchase. I think that with the addition of the 1 per cent. added to their rent they would then come under the same heading as those with the right of purchase.

43. Are there any leaseholders in your branch of the Farmers' Union?—I think so.

44. Have you any idea how many?—No, but I think the witness who is to follow me will tell you more on that point.

45. Are there any endowments in this district?—There is an endowment at Punakitere and a museum endowment some distance from Ohaeawai. Those are the only endowments I can remember just now.

46. Are you familiar with the position of the settlers on those endowments?—Nothing more than hearsay.

47. Do you think there is anything in the leasehold tenure that prevents a farmer using his land to the best advantage?—I think so. I think that any one who is sure that his tenure will not be interfered with in any way will put far better work into his holding than a settler with an uncertain tenure. Whether rightly or wrongly, there is a very general impression—and I think it is more than a general impression—that there is an agitation for periodical revaluation. That would practically mean that you are revaluing a man's own work, and in that way it would not be conducive to good farming, for with this revaluation hanging over him a man would naturally think, "Oh, it is no use improving the land," and he would let the farm run out, and the valuation would be lower during his next term. There would be no incentive to improve the farm. If I may go a little off the subject, I might be allowed to say that recently I read an article on how they do these things in Denmark. The article appeared in the *Weekly News* of the 27th April last. That article is very strongly in favour of the freehold and against the leasehold. That article says more in favour of the freehold than any argument I can bring forward or that I have seen anywhere else. I may say that the article referred to the evidence given before a Scotch Commission which went over to Denmark to inquire into the working of the land laws there, and also into the system of farming in Denmark.

48. Do you think that Denmark and this colony can be compared in any way? Might it not be possible that a system that would apply to Denmark would not work here?—To a certain extent the same thing holds good in both countries. I think the same thing is brought very strongly before us in the alteration of the land laws in Ireland. There has been an improved state of agriculture there since the tenants have been allowed to acquire the freehold. I think that is another object-lesson for us.

49. If this is all correct, and there are great disadvantages under any leasehold tenure which prevent a man using his land to advantage, how is it that a man who uses his leasehold farm in the first ten years, and, while labouring under all those disadvantages, is able to save enough money to acquire the freehold?—If a man knew he would be able to acquire the freehold, that would be an incentive to him to put in better work in every way.

50. The incentive outweighs the disadvantages?—Yes. The feeling is that in the one case he is working for himself and in the other case he is working to a great extent for his landlord.

51. That is a question of degree is it not?—A question of degree, certainly.

52. Have you had any experience of the land-for-settlement policy in the South?—No.

53. *Mr. Anstey.*] You say you are in favour of Crown leaseholders having the right of acquiring the freehold?—Yes.

54. Do you think it is necessary to give them the freehold in order to properly develop their holdings?—I think so. I think it would be a great inducement for them to do so.

55. You think that a leaseholder cannot develop his holding as satisfactorily as a freeholder?—I do not think there are many who would do so. I do not think they have the same incentive.

56. Do you think they do not do so, generally speaking?—I do not think they do.

57. You think it is in the interests of the State that they should have the freehold?—Yes; I think it is both in the interest of the State and in the interest of the individual.

58. Would that remark also apply to education endowments?—I have not fully considered that, but I think more would be got out of the land if it was held under freehold.

59. Do you think it would be a wise thing to give the freehold of this land, and that the money derived from it should be invested elsewhere?—It is a question where the money should be invested. Perhaps it might be invested in State bonds. I think that would be better for the country, and probably for the institution or local body so endowed, that the freehold should be granted.

60. Would you extend the same principle to private leaseholds?—Yes, when it can be done.

61. Do I understand that you are of opinion that people holding leases on which they are paying 4 per cent. should be charged an additional 1 per cent. if they get the option of the freehold, but that, in the case of those who are paying 5 per cent., they would get the freehold for nothing additional?—Yes.

62. Do you not think it would be wise, instead of restricting the land as to area, the restriction should be as to value?—I think that in estimating the area a person might take up, the distance and want of communication with the larger centres, and such things, should be taken into consideration.

63. Would it not be better to make a limitation as to value and not as to area?—Possibly it would.

64. You are a member of the Bay of Islands County Council?—Yes.

65. Does your County Council rate on the capital or on the unimproved value?—On the capital value.

66. Does not that press rather hardly on those who fully improve their land, seeing that they have to pay for their improvements as well as on the value of the land?—It does, rather.

67. Do you not think it would be wise to adopt the unimproved-value system?—I do not think so. The present system does not press hardly in certain directions, but under any arrangement you may make it will press more or less on some individuals.

68. You say that freeholders have better heart than leaseholders to improve and develop their land?—Yes.

69. Can you explain how it is that such a large area of land in this district is held by freeholders and still remains almost in its original state?—The probability is that the land is so poor it would be heartbreaking work to improve it.

70. There is plenty of good land that has been pointed out to us which is in the same condition?—I am not aware of any.

71. You think our information is not correct?—I do not say that.

72. Do you think it would be wise to impose improvement and residence conditions on freeholders as well as on leaseholders. We have been told that a lot of this land is held by absentees?—I am not aware of any held in that way in our neighbourhood.

73. Do you think it would be wise to impose restrictions in that way?—I think that land held for speculative purposes by absentees should be taxed in some way.

74. And thus compel closer settlement?—Yes, because at present such land is practically in the position of Native land, except that it pays rates.

75. Do you think it would be wise to insist on rating both Crown and Native lands, or to rate either?—The difficulty in the case of Native land is that you are unable to enforce it, and in many cases the ownership has not been decided. As at present constituted we have no power to enforce the payment of rates on Native land. As far as the Crown land is concerned, the rating of that is out of our power.

76. Do you think we should recommend that the County Councils should be given power to rate these lands?—The Government tell us that they hand an equivalent to us in the form of subsidies, but I do not think we get the amount. I think if the Government lands were rated in the same way as private land it would be beneficial.

77. Do you approve of the system of a large portion being done by public grants, or do you think it would be wiser to have a larger area for rating purposes, and do away with the special grants altogether?—If that could be done it would be the best plan, but, situated as we are with so much Government and Native land that is not bringing in rates, I think we are entitled to very much more public-money help in that respect than we get.

78. Supposing you got this larger rating area and an increased subsidy on your rates, do you think that system would be better than the system of grants being doled out to you in the uncertain way that is done at present?—I think so. As the grants are doled out to us at present we see it announced that a grant has been made for a certain road, but the money is not placed to our credit, and we are not even notified when it will be. It would simplify matters very much in respect to public works in our district if, when a grant was made, the local body was assured that at a given time—say, six months or nine months hence—the money would be placed to their credit; work would then be done at the proper time of the year, and the money would go half as far again as it does at present. With the assurance that the money would be paid over at a given time the local body could arrange its finance with certainty and act accordingly.

79. Does the Government or the local body spend the Government grants?—The Government expend the greater portion, but some portions are handed over for the local body to expend.

80. Which expenditure is most economical?—The expenditure of the local body, by almost two to one. Local bodies make the same amount of money go thirty or even forty per cent. further than the Government does.

81. *Mr. Forbes.*] What is your opinion with respect to the present constitution of the Land Boards?—I have had very little to do personally with the Land Board, so that I am hardly able to speak on that particular point from any personal knowledge.

82. You have expressed the opinion that the present system is unsatisfactory?—Not from personal knowledge. It is only an impression left on me from conversation with other people. Complaints are made that restrictions ought to be relaxed very much in some cases. For instance, where a farmer, and, say, two or three grown-up sons take up sections and work them all together as one concern. By the Act, each one has to live on his own section. I think that is a hardship which the Land Board ought to ease off very much.

83. Do not they ease it off in this district?—In some cases they do and in others they do not, but I am only speaking on this matter from hearsay.

84. In connection with Denmark and the question of the freehold, do you know if there are any leaseholds in Denmark?—Very few. I think the article shows that eight or nine out of ten of the small farms are freehold.

85. You do not know how the leaseholders are getting on?—No; they are under private landlords there.

86. As population increases it would be only reasonable to think that there would be a greater proportion of land held under leasehold?—I think that matter was taken in hand by the Government of Denmark. It was about 1850 that they started going in for the freehold as against the leasehold system.

87. Would you say that the Crown as a landlord would be better than a private landlord?—I question it.

88. Do you question it from your personal experience or from a sentiment?—I have had very little experience in that matter, but my experience with a private landlord is that you can explain matters to him, and if he is a reasonable man he will see where to make concessions, but with the Government you do not know who to go to or where to go, and you are kicked from one to another, and you do not know what to do.

89. *Mr. Hall.*] I suppose the fact that the Natives hold so much land in the district retards settlement?—The difficulty is they are not able to sell the land to private individuals or to lease it. In many cases they would be willing to sell or lease, but they cannot do so legally.

90. Speaking generally, is it a fact that the Natives still retain the best land in the district?—Yes, speaking in a wide sense, it is. If a person passing through the country sees a particularly poor piece of land he will not be far wrong if he puts that down as Government land, and if he sees land that is improved, or partly improved, and of medium quality, he may be sure that has been taken up by settlers; but if he sees a piece of good land unoccupied he is very safe in his own mind to put that down as Native land. Of course, there are instances where that is not so, but that is the position, speaking broadly.

91. If the bulk of the Native land could be acquired by the Government and dealt with for settlement purposes, would it follow that the inferior Crown land would be taken up?—Yes, I think it would; but the inferior land would have to be taken up in large blocks. They would be simply open runs, for some of that land is so poor that if it were offered to me as a gift I would rather do without it. In other cases it is capable of carrying a few stock, but it could only be held in large areas in order to pay working-expenses.

92. As regards these inferior Crown lands, I understood you to say that you advocated the giving of the freehold as soon as improvements have been made and there has been *bona fide* residence on the land?—Yes.

93. I suppose the Native land at Kaikohe is representative of the best land in the county?—Yes, the pick of the county. Although we have land in smaller areas which, I think, is equally as good as Kaikohe, still, Kaikohe is the largest block of really good land, and, with the exception of about 100 acres, I think it is all in the hands of the Natives.

94. If the land immediately around Kaikohe were thrown open for European settlement, would it sell for £8 or £10 an acre?—I think the more improved parts of Kaikohe would readily fetch £10 an acre—that is those parts nearer the settlement—and further back a block of perhaps 30,000 acres would average £2 or £3 an acre probably, and some of it would fetch £10 an acre.

95. Would you give power to the trustees to sell endowments of city and suburban properties which are revenue-producing?—I think they might have the same power to exercise as they have in connection with other trust properties.

96. I suppose you find great difficulty in raising sufficient revenue to make roads?—It is next to impossible. We are able to keep the main roads in passable repair, but some of the branch roads are disgraceful. We are unable to do much with them.

97. With regard to Government grants, you have already stated that they are too uncertain. What do you think of the idea of the land and mortgage tax being handed over to the local bodies in order to give them an assured revenue to maintain their roads?—I have not thought of that, but there are a good many other sources of revenue which are raised locally, and which I think ought to be spent locally.

98. Does it not seem strange that a direct tax on farmers should go into the consolidated revenue and then be sent back in the way of uncertain subsidies and grants to the local bodies?—Yes. If the money went in the way you suggest we should know what we are entitled to.

99. The Government in that case to fix a maximum and a minimum rate as a guarantee that there would be a sufficient amount to pay for the roads?—Yes. The present system is very unsatisfactory.

100. *Mr. Johnston.*] Why do you not approve of the rating on unimproved value?—I think it would come very hard on the new settlers just at a time when they require all the means they can raise, and before they are in a position to get any return.

101. Do you think the absentees ought to be taxed more?—Decidedly.

102. Do you not think the rating on the unimproved value would get at the absentees?—Yes. That is the only thing we have got to go on in the case of the absentees.

103. The difference on the new settler would be very little compared to the advantage of getting the absentees to contribute more in the way of taxation.

104. The Hokianga County rates on the unimproved value?—I did not know that.

105. Did you know that many of the counties in the South do it?—No.

106. Is there a large amount of gum derived from the poor land that you speak about?—From some of it. But as to this gum land, there is a point which I think has been considerably overlooked. We have been treating as a nuisance what we might have turned into one of our greatest blessings. I refer to the Austrians who come here digging gum. It has been shown that this gum land with high cultivation in many cases is well suited for vineyards and the growing of fruit-trees, and we have several instances in our neighbourhood where the Austrians have taken up small pieces of land and are cultivating both vines and fruit-trees. When in conversation with some of these Austrians they have told me that the climate and natural surroundings here are well adapted for such a purpose, and that the climate is very similar to that of their own country. If some of these Austrians had been put on the ground with sections of, say, 50 acres, with permission to dig the gum on condition that they planted a certain amount of vineyards and fruit-trees, it would have been a great advantage to the colony, and it would have been an object-lesson to some of our own settlers. I have had little to do with these Austrians personally, but from the accounts I get from the gum merchants I gather that they are a frugal, honest, and steady lot of men. Of course, there are the exceptions that one gets anywhere. If such a scheme were carried into effect, when the gum was exhausted the fruit industry would take its place. I think that would go a long way towards settling the poorer gum lands of the north.

107. Do the settlers who go on the land take advantage of the way the Austrians have turned it over when gum-digging?—No. It would require more than turning it over to do any good.

108. We saw some of the land practically trenched by these people?—That is the kind of land I would recommend should be planted in orchards and vineyards.

109. How do you think this small-manuka land could best be utilised?—I should say by sowing some of the inferior but more hardy grasses upon it.

110. What is, roughly, the value of the good land about this place or Waimate?—I suppose from £5 to £7, and up to £10 for the best, an acre—the improved lands.

111. Do you approve of sowing gorse for feed?—No. It has been done here, and it would have been all right if it had been confined to the poor gravel soils, but the trouble is that you cannot keep it there. It cannot be kept within bounds.

112. Have you seen any Californian thistle up here?—No.

113. *Mr. Matheson.*] How is it that the local bodies make their funds go so much further than the Roads Department?—That is more than I can say. Almost all the General Government work is done under the co-operative system, and the local government work is done under the contract system.

114. Do you think that accounts for it in a great measure?—Yes, in a great measure.

115. Has your estimate of the State as a landlord been based on their treatment of the Puna-kitere settlers?—Not at all.

116. Do you think their treatment of those settlers tallies in a measure with your estimate of them as landlords?—No; the treatment of the Puna-kitere settlers is a case by itself almost.

117. *Mr. McCardle.*] Referring again to the Native-land difficulty, do you think it would be well for the Government to allot to each Native in the colony 50 acres in any particular spot he might desire it, take over the whole of the balance held, ascertain the monetary interests of the various Natives in the whole of those lands, give them the interest on colonial debentures for the balance, and deal with those lands the same as they do with the lands of the Crown?—That is very much the system I advocate. As to the Maori Councils, they are met with huge difficulties, and, so far as I have been able to find out, they have proved utter failures. I do not personally know of a single block of land they have put through. The Natives themselves are disgusted with the system, and they say the old Land Courts were better, with all their evils.

118. Is that not largely because the titles have to be ascertained before the Councils can do anything at all with the land?—I do not know, but the Councils have proved a failure.

119. You have referred to the Denmark system of finding freeholds for the farmers. Do you know what the condition of things was prior to the present condition?—I think the lands were mostly in the hands of private landlords.

120. Was that to foster the butter industry?—Well, it was introduced before the butter industry started.

121. With regard to the endowments you have spoken of, do you not think that if the State were to grant debentures instead of lands the State could deal with those lands in the best interests of the colony?—Yes, if the occupation-with-right-of-purchase tenure were brought in.

122. As to a question asked you by Mr. Hall, whether you did not think the land-tax should be treated as local revenue, do you not think the wealthier districts would scoop the pool and the smaller districts get a mere bagatelle?—We are in that position now.

123. Would it not be better in these outlying districts if the Government, for the purpose of making roads, granted £2 for every £1 raised locally?—If they would do such a thing it would perhaps be better.

124. Then, Mr. McCutchan asked you about putting safeguards to prevent speculation in land. Do you not think if a man goes on to most of the land in this district he will come out of it a poorer and a wiser man?—Yes. I have heard people say that some of the early settlers ought to be prosecuted for buying some of the lands, which were absolutely worthless, and burdening their families with such properties.

125. With regard to these large tracts of land we have seen lying unimproved alongside road-lines, do you not think the State should step in and compel something in the way of improvements, no matter whether by absentees or Natives?—Extra taxation ought to compel the absentees to utilise their land in some way; but the Native-land difficulty requires to be handled very gently, as the Maoris almost worship their land.

126. You are aware that the great clamour of the Natives now is that they should be allowed to sell?—Yes; but it might be different if it came to anything in the nature of compulsion. And if they were allowed to sell I think they would impoverish themselves in some cases.

127. Are you in favour of the Government administering the land laws so that the Natives could not pauperise themselves?—Yes.

128. *Mr. McCutchan.*] Speaking about co-operative labour, you think the local body could do the work for about one-half of what it costs to do it by co-operative labour?—Well, I said from 20 to 30 per cent. cheaper.

129. Has not the co-operative system this merit: that at a time when the labour market was congested it drew a large number of indigent people from the towns, and in many instances settled them on the land and made them industrious settlers?—There may have been a few instances of that, but in more instances I believe the effect has been just the reverse. The people who were put on the land knew nothing whatever about agricultural pursuits, and they simply became paupers, and those people who were sent out of the town as indigent people have become a big tax on the local bodies in the form of charitable aid. We are suffering to some extent from that now.

130. Were they not a burden on the community before they came here?—Yes.

131. Are not fifty per cent. of them now on the land?—I dare say.

132. Is it not the experience of some of the most progressive County Councils in the colony that day-work under proper supervision is the cheapest method of doing roadwork?—We have not found it so.

133. We had before us at Rawene the District Road Engineer, who gave evidence to the effect that he found that the most economical way to do the work, and the County Council of which I am a member and our engineer have proved over and over again that day-labour is the most economical way of doing the work, subject to efficient supervision. If such is the case, is it not possible to so improve the co-operative method of doing public works that it would be satisfactory not only to the workers, but to the colony?—In our case co-operative labour has not worked out anything like as well or as cheaply as the contract system. In our neighbourhood, where the work has to be done in small patches, the engineer would all his time have to be in the saddle seeing how the different bits of work were going on if it were done by day-labour.

134. Do not the engineers, when they put a gang on to work by day-labour, always take the precaution of placing a man in charge to see that all the men do a fair day's work, and that they are not paid for more than the work they do, because in that respect the wages are regulated according to the capabilities of the men?—We have not found it work here so well as contract work. We have not gone in for the co-operative system where we have had complete control of affairs, and we find that the work done by the local body is better and cheaper than that done by the Government.

135. Is it your opinion that the system of land-settlement by means of co-operative labour has not been justified?—So far as those people sent out from the towns are concerned, I do not think it has been.

136. *Mr. Paul.*] Have you given the system of day-labour, as explained by Mr. McCutchan, a trial?—No; we have not tried it in this county. Very small jobs are done by day-labour.

137. In those cases have you found it satisfactory?—Yes, fairly, and that is because the work is generally repairing roads, which is very hard to let by contract. I do not think it is generally quite as cheap as if it were done by contract. Under a contract all the work has to be specified properly, and sometimes in repairing a road it is hard to define by contract what is required.

138. *Mr. Anstey.*] Seeing that many of the cities have immense reserves set apart for them, do you not think that poor local bodies like our own are also entitled to large endowments?—They are entitled to them, but if it comes in the form of revenue it would have the same effect.

139. Do you not think, if it is necessary that endowments should be given to these cities and boroughs, it would be right to confine those endowments to places within their own precincts, thereby avoiding the evils of landlordism?—Yes, that is one of the drawbacks of the endowments here, such as the endowments at Punakitere and other places. They are almost in the same position as the absentee landlord.

140. *Mr. Johnston.*] Have you any experience of the land-for-settlements policy in the South Island?—No.

WALTER FULLER examined.

141. *The Chairman.*] What are you?—I am a farmer and a freeholder. I own 676 acres of land about twenty miles from here. I have been farming in the locality about ten years. My land is all plain, open country—fern and tea-tree—and is in the Kerikeri district.

142. Have you your land in grass?—A portion of it.

143. Do you run sheep and cattle?—Cattle only.

144. Any dairying?—Only for my own use.

145. What do you consider is the best tenure for the settlement of the country?—The freehold.

146. Are you in favour of leasehold as a stepping-stone?—Yes, certainly.

147. I suppose, in the case of Crown lands, you would exact certain improvements and a certain term of residence before you allowed the freehold to be acquired?—Yes; but if it was very poor land I would give it away, because the very poor land is not worth the rates charged on it.

148. You would give it under the homestead regulations if they were re-enacted?—Yes; I approve of the homestead system.

149. *Mr. McCutchan.*] Is there any particular matter you wish to bring before the Commission?—I do not think so.

150. What is the character of your land?—It varies from a few inches on rock to 5 ft. or 6 ft. of good soil. It is very varied.

151. What grasses have you been sowing?—I have been sowing paspalum and danthonia, and also *Lotus major* and coniculatus.

152. Are those grasses better than paspalum?—Well, the latter is a new grass, and we have not had much experience of it. Paspalum is a good grass in the summer, but in the winter the frost cuts it.

153. How many years have you been experimenting with it?—I have had paspalum on my place only about two years, but I have seen paddocks of it in other places.

154. Do you think it will, when it matures, stand the cold weather better?—I do not think so. The frost does not kill the roots, and in the warm weather the grass comes up again. It has good fattening properties.

155. *Mr. McLennan.*] Have you had any dealing with the Land Board?—No.

156. What do you think of the present constitution of the Land Board: do you think they should be elected?—I think they should be elected and not nominated.

157. On what franchise would you favour election?—I could not say that.

158. Would it not be an expensive method of forming Land Boards?—We do not want to put the country to a large expense, but I think it might be done without expense.

159. How?—I should say that the members of the Board should be elected for the different districts by the people in those districts. The man seeking election could call meetings just as candidates for Parliament do, and they could elect a man without expense to the country.

160. Would you allow people in towns and boroughs to have a voice in the election?—No.

161. Have you had anything to do with the Advances to Settlers Department?—No.

162. *Mr. Paul.*] How much of this poor land is sufficient for a man to make a comfortable living upon?—A man cannot live upon it at all unless he has capital to work it. It is of no use for a poor man to go upon poor land. There are thousands of acres north of Auckland that would not feed a sparrow.

163. Are you Mr. Clarke's colleague as a representative of the Farmers' Union?—I am secretary of the Kerikeri Branch.

164. How many members have you in the branch?—About seventy, including honorary members.

165. How many of them are leaseholders?—I think, about three.

166. How many have paid their subscription this year?—I could not say positively.

167. I think Mr. Clarke said about twenty-five?—Probably that might be correct.

168. Are the land-values in the district increasing?—I am sorry to say they are not. Mr. T. C. Williams, known as the "gorse king," has sown a lot of his land in gorse, and the gorse is spreading all over the place, and no country could progress under those conditions.

169. On what tenure did Mr. Williams hold his land?—Freehold.

170. If it had been leasehold from the Government, would he have been allowed to sow his land in gorse?—I do not think so.

171. *Mr. Anstey.*] With regard to this paspalum grass, would it be possible to sow down some alternate crop for winter feed?—No; but you could mix it with other grasses.

172. What about the danthonia: is that a summer feed only?—No, that does best in the spring and autumn.

173. You do not believe in this growing of gorse for feed? Do you not think a freeholder should be allowed to do what he will with his own?—I think he should be compelled to keep it away from his neighbours.

174. Would you compel a man to eradicate noxious weeds?—Only in the case of gorse in this district. On three sides I am surrounded by the "gorse king," and on the other side by "King Dick," or the Crown. On the Crown land there is a weed called akia growing, and the seeds are blown across my country, and my ground gets sown in that way. I say the Government ought not to force people to eradicate weeds until they do it themselves.

175. Do you think these restrictions should be applied only to the two weeds you have mentioned?—Yes, we have really no other noxious weeds in the North, such as Californian thistle and those things.

176. *Mr. Matheson.*] Are you aware there is a law under which your local body can make both the "kings" you speak of clear their land of noxious weeds?—Yes, but it would be rather a hard thing to do, especially in the case of those people who have taken land alongside the old mission lands.

177. Do you think the majority of the ratepayers in the district would like to see the weeds tackled and kept in check?—Certainly.

178. Then, they have power to do it?—But look at the expense.

179. If the question has to be faced, surely the sooner it is faced the better. Seeing that the people in the towns are interested in the Crown lands of the colony, do you not think it reasonable that they should have a say in the election of the Land Board?—No.

180. *Mr. McCardle.*] What is this *Lotus major* grass you have referred to?—It is a kind of clover or trefoil.

181. Has it done well in the district?—Yes, it has spread over the country in many places without being sown. It does very well for catle-feed.

182. Are you in favour of the Land Board being elected?—Yes.

183. Do you think the machinery would be so cumbersome that it would be almost a dead-letter?—I do not think so.

184. Do you think a man would travel from this district to attend meetings of the Board in Auckland at 10s. a day for his expenses?—No.

185. How are you going to make it possible for him to contest an election and attend to your interest on the Board?—I should not advocate electing a man so far away from the centre.

186. I understood you to say that you would like to see each district elect its own representative from among its settlers?—I did not mean that exactly. I meant they should have an opportunity of electing the best man they could get to stand.

187. Do you not think, in view of the great expense that would be involved in holding elections, it would not be better to add another three members to the present Board—men nominated by the Government on account of their local knowledge?—Yes, I think that might be done.

188. Do you not think it would be more reasonable than election?—I think it would suit very well.

189. You would not object to the people in the cities having one member on the Board?—No.

190. You would extend that privilege to the workers?—Yes.

JOHN NICHOLSON examined.

191. *The Chairman.*] What are you?—I am a settler. I hold altogether 350 acres, partly under freehold and partly under occupation with right of purchase, at Okaihau.

192. Which tenure do you prefer?—Freehold.

193. Do you think it is best for you and the country?—I think so, decidedly, because the settler is happier and more contented.

194. Are you on some of the good land we have been hearing about?—It has been classed partly as first-class land, but in reality it is not first class. I go in principally for dairying and grazing. There is a branch of the Ohaeawai Factory at Okaihau.

195. Is there any particular point you would like to bring before the Commission?—I represent this branch of the Farmers' Union with Mr. Clarke.

196. Have you observed the working of the Homestead Act?—Yes, I had experience of it. I think it is the best system devised yet for the middling poor lands we have in the north.

197. Do you think it would be wise to re-enact it?—I do indeed. It would be to the benefit of this part of the colony.

198. You have had some experience with the Land Board: have you found them satisfactory?—I have never had any serious difficulty with the Land Board, but I think a better system than the present one would be for the Chairmen of County Councils to be put on the Board, or else let each Council work the lands within the county.

199. In other words, you think more local knowledge would be brought to bear on the administration?—Exactly.

200. I would point out that if each County Council were a Land Board it would be rather too sectional altogether, and such a system would require a large retinue of officers and maps, and would become rather expensive to work. Of course, you might have four or five County Councils working together as one Board?—Yes, that might do, or else the Chairman of each Council should go to Auckland to form the Board. Of course, there are a good many of them, and they would make rather a bulky Board.

201. However, you think there should be some elective element in the Board?—Yes.

202. *Mr. McCutchan.*] You said you preferred the freehold tenure?—I do.

203. Does that mean that you have an objection to the occupation with right of purchase?—No, because it comes to an end. I would object to it if it never came to an end.

204. So you advocate the occupation-with-right-of-purchase tenure remaining on the statute-book?—Yes.

205. Have you any objection to the lease-in-perpetuity tenure?—Not if it was altered so that the tenants under it could purchase their sections at any time after a certain period.

206. Why do you advocate the change for them? Is not the lease long enough and sound enough?—It is not sound enough. It is not satisfactory in many ways. The man is not working for himself when he is working on a leasehold.

207. Is it not an advantage to him to retain his lease instead of acquiring the freehold, inasmuch as he is getting his money at 4 per cent., whereas if he buys the freehold the money will be charged at 5 per cent., and he would have to pay 5 per cent. in the open market?—Yes; but that does not balance the drawback. Suppose bad years come and he cannot meet his rent, he has to go, whereas if he owns the land he can tide over a bad year.

208. Of course, the object of putting the tenure on the statute-book was to give an opportunity to the poor man to get on the land, and, looking at the question from that standpoint, if a poor man had the freehold no doubt it would be subject to mortgage?—The leasehold is quite proper for getting him on to the land, but if a person has made a home for himself, and put a little money aside he should be allowed to purchase the freehold at any time he may like to buy it.

209. Your union is composed almost wholly of freeholders—have they any particular object in advocating the freehold for lease-in-perpetuity settlers?—Nothing, except the good of the country and the settlers generally.

210. Amongst the members of your union has any fear been expressed of retrospective valuation coming into operation in connection with these leases?—Yes; we are aware that there is an agitation for that sort of thing going on.

211. Through the trades and labour organizations of the colony?—Exactly.

212. Has this agitation been instrumental in fostering the agitation for the freehold amongst the Crown leaseholders?—It helps; but, even apart from that, we would advocate the freehold tenure as against the leasehold for the reason that we believe it is best for the settlers.

213. Do you think there would be any unfairness to the town residents if the freehold is given to the leaseholders at the original upset price plus 1 per cent. and the interest on 1 per cent.?—I do not see that it is unfair to the town people.

214. Have you any experience of the Advances to Settlers Department?—Yes

215. Did you find it satisfactory?—Yes, but I find it is falling behind the times. It was at one time better than the general money-lenders, but to-day you can get just as good and as satisfactory terms from them as from the Government.

216. Is it customary for the money-lenders in this district or in Auckland to charge both procurement fees?—No; they charge no commission except interest.

217. Can you get the money at as low a rate of interest as you can from the Crown?—Yes, about the same—6 per cent.

218. Do you not get it from the Crown at $4\frac{1}{2}$ per cent.?—The Government lend it at 6 per cent., and 1 per cent. goes to pay off the capital.

219. Then, it is 1 per cent. less than the average private lender?—Exactly.

220. Is there not a further 1 per cent. reduction for prompt payment?—Exactly.

221. Then, is not the rate of interest under the Advances to Settlers Department $1\frac{1}{2}$ per cent. cheaper than the rates charged by private money-lenders?—I think it can be got even at the same rate from private money-lenders on good freehold security.

222. Is there any difference in the legal charges?—Yes. You can borrow from the private money-lender at less expense than from the Government.

223. Is it not the case that the scale of fees put in operation by the Advances to Settlers Department was substantially less than the scale of fees usually charged by the legal fraternity in drawing up mortgages?—It was at the time, ten years ago, but it is not much advantage to-day.

224. *Mr. Paul.*] Do you strongly object to the agitation for the revaluation of existing leases?—Yes. I do not think it would be fair to revalue the land, because people take up the lease with the expectation that the value will be the same at the end of term.

225. Do you not think it is in much the same category as the agitation coming from the tenants for the option of the freehold, which means giving them something they did not get in the original agreement?—No; there is a difference. The Government lose nothing by the tenant buying at the original value, because they get interest on the money, and the purchase simply terminates the contract. But the tenant would lose something if his rent was raised on him.

226. Does the tenant gain anything by getting the option of the freehold?—Certainly. He gets a better, more permanent, and surer tenure.

227. Your principal objection is that one alteration would be against the interest of the settler and the other would be in his favour?—That is it.

228. Then, you do not deprecate any alteration that would work in the interest of the settler?—No.

229. Do you think that revaluation is sound in principle?—It may be sound enough in principle if the tenant was informed beforehand that he was to be liable to revaluation.

230. I do not want to inquire into your particular business, but I would just like to ask whether you were a poor man when you got this homestead section?—I was; and, I may say, I am still.

231. I think Mr. Fuller told us that it was no use giving the poor land to poor men, and that any one taking it up must be a rich man, and should get, in addition to the land, some monetary assistance?—Exactly so. I quite agree with that.

232. But in your case it proved beneficial and helpful?—Yes; I managed to worry through. I do not know that my land could be called the real barren land that is knocking about. I think it is fairly good average land.

233. Do you think any of that land would have been taken up at a small cash price if it had not been given away by the State?—Possibly it would not have gone off if sold; and I consider it is better for the State to have it taken up that way than to have it lying idle.

234. Have you any direct charge to lay against the Land Board?—No; I got on fairly well with the Land Board.

235. What are your reasons for coming to the conclusion that a change in the constitution of the Board is necessary?—Because I see others getting into difficulty with them, and the principle of having a Board that is not composed of settlers is not the best for the administration of the land laws. There should be practical farmers on the Board.

236. Are there any men on the Auckland Board who are not farmers?—I think so—in fact, I do not know of any real farmer on the Board at all. I am not personally acquainted with any of them.

237. You do not know whether they are or whether they are not?—No; but they are all city residents.

238. Do you think that an objection to having the Land Board composed of Chairmen of the County Councils is that you would have a Land Board that was constantly changing? For instance, do you recognise it is necessary that there should be some fixity about the Board, to enable them to gain the information and master the Acts necessary for the administration of the Land Board?—That, certainly, is an objection; but at the same time, the County Chairmen would be on the spot, and they would be nearly all practical farmers, so that the administration of the land laws would not be absolutely in the hands of new people.

239. Do you think the Auckland Land District is too large at present?—I do not know that it is too large for a Board that sits in Auckland. It would be a mistake to have too many Boards.

240. Do you not think that the loss of time in travelling, and the expense which would be entailed by having a Board composed of County Chairmen, would render such a scheme almost impracticable?—That is so.

241. You said that if a tenant had a bad year and could not pay his rent he would be turned out: has any such an instance ever come under your notice?—Yes, in this district. It is some years ago.

242. How many years was he behind in his rent?—I do not know. I do not remember the exact circumstances. I was acquainted with them at the time, and I know he lost his section.

243. Did the Land Board forfeit his section?—They did.

244. You do not know that it was not for some breach of the conditions?—He simply failed in his rents.

245. *Mr. Anstey.*] Have you any objection to naming this settler?—His name was Henry Smith, and his section was at Ōtekura.

246. Do you discuss any point at the Farmers' Union besides this question of freehold?—No, that is the only point.

247. You did not make it quite clear on what terms you would give the right of purchase to lease-in-perpetuity settlers: would it be at the original value?—Yes.

248. Would that be quite fair as between the settlers who have taken up land under the other tenure, and who are paying 5 per cent.?—There would be no objection to raising the price to bring it up to 5 per cent.

249. Would you apply that to lease-in-perpetuity settlers under the Land for Settlements Act?—There is a difficulty there. It would not very well apply to them. The way I would deal with them is this: I think they should have to purchase their sections at about the time when the loan which was raised to buy the land expired. For instance, if the Government borrowed the money for forty years the tenants should be given only a forty-years lease, and be informed that they must purchase within that time, so that the estate should pay for itself when the loan expired.

250. You would give them the right of purchase at the original value at any time within forty years?—Exactly.

251. You said that all the members of the Auckland Land Board reside in the city. Are you sure there is not one residing at Whangarei?—I believe Mr. Thomson lives at Whangarei, but I am not sure that he is on the Board now.

252. Are you sure there is not one residing in the Waikato?—I do not know.

253. Are you sure there is one residing in the city?—Yes, Mr. Lundon.

254. Mr. Lundon is not a member of the Board now. Apparently you do not know whether the members reside in the city or not?—I am not very clear on the point.

255. *Mr. Forbes.*] Did your Farmers' Union get up a petition about giving the Crown tenants the freehold?—No; but a petition was sent to us—I do not know exactly where it originated—and we were asked to get all the Crown tenants in the district to sign it.

256. Did you get many?—We got all in our district.

257. There seems to be a certain amount of discontent with the Government administration of Crown lands: does your Farmers' Union stir up this discontent?—Certainly not.

258. At the meetings of your union are instances brought before you of people being hardly treated by the Government?—No. All we have ever been asked to do was to get the names for this petition. I do not think it originated within the union at all. The Crown tenants originated it, and considered our branches a good medium for getting names.

259. You say you would give the lease in perpetuity the right to buy the freehold at the original value. Suppose that since the land has been taken up the Government have put a railway in, would that not add to the value of the land?—It would.

260. Would you give the tenants that value which the Government have made by putting the railway through?—The Farmers' Union would not object to any details so long as the principle was arrived at that the tenant should be allowed to purchase his section.

261. Would you restrict the amount of land any one man could hold?—Decidedly.

262. Has your union brought forward any limit?—The union has not; but, personally, I would say, in the north, where the land is middling poor, that a person should not hold more than 320 acres of what is considered first-class or 640 acres of second-class land.

263. That is less than the present limit allowed by law?—I believe so.

264. Is it a benefit to the man himself to get him settled on this poor land under the homestead system?—Yes, unless the land is too poor.

265. Is not a great amount of this land very poor, and would it not mean ruination to a man to settle him on 50 acres of that land?—Yes. I would not ask a man to settle on some of that land under any consideration. A man should never be induced to settle on land where he cannot be reasonably expected to make a living. The Government do not hold the best land—they only hold the inferior parts.

266. Is not the reintroduction of the homestead system likely to lead men into disaster by stating to men in the cities that they can get 50 acres in the North of Auckland to settle on?—Certainly not; because each man can judge whether he is capable of carrying on a farm, and if the land is correctly classified a man need not make any mistake. But I must say that at the present time the land is not correctly classified.

267. Is there any use of giving a man 50 acres?—Certainly not.

268. If the Government brought in the homestead system they would have to give a larger area than that?—Yes; at the lowest, 320 acres.

269. Do you believe that giving a man something for nothing is a good principle?—It is not giving the land for nothing. A man has to put in a large amount of money and labour to subdue the forests and swamps and bring the land into cultivation.

270. We had evidence from many men that the rents of this forest land are trifling, and it seems to me the great cost of clearing the land is a far more important consideration than any rental?—So it is. The rental under occupation with right of purchase is no bar to land-settlement.

271. And under lease in perpetuity it is 1 per cent. less?—Yes; but a good many men would sooner pay a higher rent for an occupation with right of purchase than for a lease in perpetuity.

272. Is it not better for the State to have a man putting all his capital into improvements instead of using it to pay off the freehold? Is not the first object of the State to make land reproductive?—Decidedly; but a man taking up land has to improve it, and it does not matter to the State whose money he does it with. A person with £200 or £300 could purchase the land and raise the balance for improvements, and it would be better for him to do so than to pay rent for the 999 years.

273. You think a mortgage is better than a Government lease.

274. *Mr. Hall.*] I understood you to say that the members of the Land Board should be chiefly farmers, and that the Auckland Land Board is composed of city men?—My impression was that the majority were city men.

275. On the Auckland Board, to my knowledge, there is Mr. Harris, who has been a farmer all his life, Mr. Armstrong, of Whangarei, and Mr. Greenslade, of the Waikato—I do not know the other member—so they should form a Board fairly representative of the farming interest. If anything more were wanted in the appointment of members, how would it work if each county were to nominate one member and the Government were bound to appoint, say, two of those nominated to go on the Land Board?—I quite agree to anything of that sort. It would be an improvement on the present system.

276. The County Councils would naturally nominate men who were in touch with the tenants and had a knowledge of the country?—Yes.

277. You said that money could be acquired in this part of the country at as low a rate of interest from private sources as from the Government?—That is so.

278. Is that not strange, seeing that at the present time money on what is known as gilt-edged security—that is, city and suburban securities—has to bear from 5 per cent. to 6 per cent. interest, and, in addition to that, as a general rule, a procuration fee of 1 per cent. has to be paid for obtaining the money?—It is strange. I was under the impression, and I believe yet, that money can be raised privately on equally good terms as from the Government.

279. *Mr. Johnston.*] You have just told us that money is procurable on freehold mortgage from private lenders at equal terms as from the Government. Do you know that under a solicitor's scale of fees the lowest rate for preparing a mortgage is £3 3s., and, as a matter of fact, it is mostly £10 10s.? Have you ever got money at a less rate than that from a solicitor?—No, I really forget the expense of raising money from a solicitor.

280. The Government have instituted a scale of fees which are about 75 per cent. cheaper than you could get from any solicitor. You never got the work done in your life, nor anybody else either, at the same rate as the Government charge, or under three times the money?—There is one point in regard to the Government I would like to point out, and I believe the Government could improve on it. If a person goes in for a second loan from the Government he has to pay for a second valuation of his property. I think if a second loan is applied for within a few years of the first one the first valuation should be accepted. As it is, a borrower has to pay for a fresh valuation every time he applies for another loan.

281. The security may have depreciated 50 per cent. on this class of land. The property may have been in grass when first visited, and be in manuka scrub in three years' time, and why should not the Government value again?—They have a means of knowing. I am going by own experience. In the interval between my first and second loan the value of my property for taxing purposes was increased.

282. Have you had any experience outside this district at all?—Not much.

283. Do you know anything about the land-for-settlements policy?—No.

284. You said a settler could tide over the payment of interest, but he could not tide over the payment of rent to the Government. Is it not a fact that in many instances in the South Island the Government have reduced the rents of the settlers when they found they were paying too much?—Possibly it is so.

285. Have you ever known a mortgagee to reduce his interest?—No, I have not. But the idea is, under freehold, that you do not have to pay interest all the time.

286. How many freeholders in this county are free from mortgage?—A good many of the smaller ones, at any rate.

287. Then, you have been very prosperous about here?—No, we cannot boast of any special prosperity.

288. Is your union a political union?—No, not in the sense that some other unions are political unions.

289. Would it suit the settlers here if the Land Board held meetings at a central place in the North of Auckland when matters in connection with the northern district were being discussed?—I do not think it would. The principal thing is that the members should have local knowledge. It would be an advantage if members of the Land Board travelled through the whole country and saw for themselves the land that is taken up and settled.

290. Did the Crown tenants themselves agitate for this petition?—No, it did not emanate from them.

291. The Crown tenants were contented until they were asked to sign?—They seemed quite eager to sign when asked.

292. You say the Crown lands held by the Government are all poor lands. Of course, it is poor land for the simple reason that all the good land has been picked out?—Yes, and because the Government never got the best land. The Maoris never parted with it.

293. You have some pretty good land about here?—Yes, but the settlers in Ohaeawai did not get their land from the Government, but from the Maoris.

294. *Mr. Matheson.*] Do you wish us to understand that your branch of the Farmers' Union discuss no other question at your meetings but the granting of the freehold?—No other political question is discussed except land-tenure; but we discuss many questions of local interest to the settlers.

295. *Mr. McCardle.*] Is it not a fact that your union is composed of people supporting the Opposition and the Government?—Yes.

296. You do not make any distinction between the candidates so long as they support your platform?—Yes, so long as they are sound on the land-tenure.

297. A good many questions have been put in the direction of emphasizing the idea that the best system of tenure for a very poor man is to give him a lease in perpetuity. Is it not a fact that a poor man can succeed better with a lease with the right of purchase than with a 999-years lease, for the simple reason that he by his own labour puts several hundred pounds' worth of improvements on the land, and can get monetary assistance on the strength of that to stock his farm. Is not the small price he is paying to the Government a mere bagatelle compared to the value put on the land by his improvements?—Yes.

298. Is it not a fact that when the land is fully improved a man does not need a mortgage, but can lodge his deeds in the bank and get an overdraft on terms equal to the ordinary lenders?—Yes.

ARTHUR THEYR CLOSE examined.

299. *The Chairman.*] What are you?—I am a farmer. I hold 3,500 acres of freehold and 300 acres under occupation with right of purchase. My main property is the Pakaraka Estate, and it is four miles to the homestead. I have been here ten years, but have been absent from the district three years.

300. What do you pay for your occupation-with-right-of purchase section?—I pay 5 per cent. on a capital value of 10s. per acre.

301. What is your view with regard to the land-tenure?—I believe in the freehold.

302. Your land is used for a run?—Yes, for sheep and cattle.

303. Do you cultivate any?—Yes, we keep the plough going. I grow turnips, oats, and clover for consumption on the run.

304. Do you think the Land Board is properly constituted?—I think we should be represented from this district for one thing. They have a representative in Whangarei, but from Whangarei to the North Cape we have no member. I think the Land Board should be on the same footing as the County Council—I think they should be elected by the ratepayers.

305. *Mr. Paul.*] Are you of opinion that non-ratepayers should have no voice in the disposal and administration of the lands of the colony?—I say, decidedly, they should not.

306. Have you any grievance with the Land Board?—Yes, in regard to my 300 acres. I went from this district to manage a large estate in the Wairoa. I had no land then, and within six months of getting there 300 acres were put up at the back of the run I was managing, and I went into the ballot and got the section. I put up an out-station house—a mere shanty—and I used to live there when I went out to the back run. After that I bought an interest in that big property, and then I gave it up and came here. I tried to get the 300 acres transferred to some one else, and could not do it.

307. You did not take up this occupation-with-right-of-purchase section with the idea of settling on it?—I would have, only I bought this estate afterwards, and when I came here I did not require the section.

308. I suppose the Land Board have to be very particular, and have to try and prevent dunnymism in any form?—Yes. That is my only grievance.

309. Do you not think that in dealing with you they were acting in accordance with the law?—I do not think so, because I wrote and told them the whole of the particulars, and that is the last I heard of it. The matter is not settled.

310. Wherein have they broken the law in dealing with you?—In not letting me transfer to another party.

311. *Mr. Anstey.*] Is it this property you have at Pakaraka that is being advertised for sale?—Yes.

312. Roughly, how do you value the land?—I can hardly tell you.

313. Is it approaching £5 per acre?—The property is on the market, and I do not care to give my views about it.

314. What size of farms do you think most suitable on that class of land for economical settlement?—The estate has been cut up into sections ranging from 50 acres to 470 acres. The 50-acre sections are the rich volcanic flats in English grass.

315. Do you think that that is large enough for a single man without working off the place?—He can please himself, but I think so.

316. What are the larger sections?—470 acres. They are volcanic land, but in a rougher state. Some are alluvial river-flats.

317. How much land do you cultivate?—I suppose about 470 acres were ploughed this last year.

318. Would this land be suitable for a man to farm under alternate cropping conditions?—Most suitable.

319. Supposing that were done, would it largely increase the carrying-capacity of the land?—Yes, it is just what is wanted.

320. Would it grow English grass for summer feed after growing turnips for the winter?—Yes, it is growing English grass now.

321. *Mr. Hall.*] Do you consider that, in regard to matters solely affecting the lands and settlement of the country, the power should be exercised by people representing the country, or do you think that irresponsible people in the cities, who have no stake in the country and who will not touch the waste lands of the colony, should have equal power in voting on matters affecting the settlement of the country?—I do not.

322. You believe that the power should rest solely or chiefly with those identified with the settlement of the lands of the colony?—Yes.

323. *Mr. Johnston.*] Could you get 10s. per acre for your occupation-with-right-of-purchase section now?—Yes.

324. Could you get £1 per acre for it?—No.

325. Could you get a profit on what you paid for it?—Not including my improvements on it. I could not get my own money back.

326. Did you buy this estate from Mr. Williams for the purpose of cutting it up?—No, I bought it to farm and improve and grass it.

327. For speculation purposes?—No.

328. How long have you been occupying the estate?—Two years next November.

329. You have not kept it very long?—No.

330. *Mr. McCardle.*] Have you held the section you are anxious to transfer for four years?—Somewhere about four years.

331. What improvements have you effected on it during that time?—I put up a shanty, costing about £25, and I bought thirty pounds' worth of grass-seed for surface-sowing.

332. You have not had a refusal yet: the matter has been deferred only?—That is all.

333. *Mr. Hall.*] From your experience, have you found gorse a very great evil, or do you find there is any good in it at all?—That is a very large question to go into. I can give you my experience if you like.

334. Does not the young growth come in very useful in the winter season?—It does. Gorse fenced off into small paddocks is a splendid thing. You can keep it under. The trouble with gorse, as a general rule, is to keep it under. I have 4 acres subdivided into acre paddocks, and alongside them another 7 acres in grass. The four gorse paddocks and the grass paddock carried thirty-two Romney rams through the winter by changing them from one paddock to another. If you have the gorse sown broadcast in large areas the sheep do not seem to thrive in the winter at all unless they are changed from block to block. One witness said something about seeing bales of wool on the gorse. That is only a question of the kind of sheep people go in for. At Kerikeri they run Southdown sheep, and the wool is short and comes off very easily. We go in for coarser-woolled sheep and it does not come off.

335. Do you find the gorse spreads through the seed carrying?—I have never heard of it. The gorse certainly improves the land.

336. *Mr. Johnston.*] What is the carrying-capacity of Pakaraka?—Three thousand four hundred sheep and seven hundred head of cattle.

337. What do you think it would carry in sheep alone per acre?—I suppose it would run pretty near two sheep to the acre. A fair amount is still in bush, and so on.

HENRY SAMUEL LUDBROOK examined.

338. *The Chairman.*] What are you?—I am a sheep-farmer, and hold 970 acres of freehold. It is nearly all volcanic land. I have been a sheep-farmer for about twenty-five years.

339. You heard the evidence given by some of the witnesses in the forenoon?—Most of it.

340. Do you generally agree with most of their evidence?—I indorse nearly all the evidence that Mr. Clarke gave.

341. Perhaps there may be one or two points you would like to amplify?—There is one point I would like to speak strongly upon and that is the Native-land question. So much Native land being locked up is one of the great drawbacks of this district. This matter should be dealt with in some way by the Government. I think the best way to deal with it would be to reserve enough land for the Natives—that is, for their cultivations and what land is necessary to keep them going—and deal with the balance in some way. I am not prepared to say in what way, but I think the Government should take the land over and possibly pay them interest on the capital value of the land, and then get the land taken up and settled by European settlers. I am a member of the local body—the County Council—in this district, and we have great difficulties to deal with in the way of getting sufficient rates to keep the roads going, and there is so much Native and Government land, and we have to sustain the roads through those districts with the very small amount of rates received from the European settlers, and the little money we obtain from the Government in the way of grants and subsidies. It seems rather hard that we should have to push these roads through when all this land is not settled and when a great deal of the best land in the district is held by the Natives.

342. So that, practically, the settlers are making roads to improve these Native properties?—Yes.

343. Do you not think the Government, especially in regard to Crown land and possibly in regard to Native land, should pay rates according to the assessment of its value?—At one time they did pay rates, but it was done away with. It was a great help to the local body. At the present time we receive no revenue from the Government nor from the Native lands. All we get is in the way of subsidies of Government grants.

344. We have heard at various places that these grants are often voted and not expended?—In some cases the money is voted and it is never spent. There is one very unsatisfactory feature of the matter and that is this: although the vote appears on the estimates and is voted, we do not get the authority to expend it till late in the year—sometimes as late as May, but, at any rate, in March—and we have to start work between that date and the 30th June or the grant lapses. That means doing the work in the very worst season of the year. If the money was spent in the summer months it would go very much further, because it would give time for the formation of the roads to consolidate, whereas doing roadwork at this time of the year means practically throwing the money away.

345. What is your opinion with respect to the growing of gorse on poor land for feeding sheep?—Growing gorse on poor land enriches the soil. Gorse is what they call a leguminous plant. I dare say the members of the Commission have heard a good deal lately about nitrogen and bacteria. The gorse is a leguminous plant which sends its roots down, and it throws down a certain amount of deposit and decay that enriches the soil, and, as you have observed in going round, there is a large area of poor land that I heard witnesses say to-day is almost worthless. If you could confine the gorse to that particular class of land there is no doubt that in ten or twenty years' time that land would be really good-quality land, but the difficulty is to confine the gorse to that particular class of land. If it were possible to do so I should say plant all the land in gorse that is reckoned worthless, and in twenty years' time it would be a different class of land, but that is the difficulty. The question is whether it is advisable to do so considering the difficulty of controlling it.

346. As a feed-plant for sheep, what is your view?—It can be made to winter two sheep to the acre, and in the spring and summer months it will carry from six to ten sheep an acre easily.

347. Mr. T. C. Williams's experiment was on a large scale, and I understand that the gorse got beyond control?—Yes; he went in a little too much for it. If he had put in a limited area and had worked it in connection with danthonia on the poor land I think it would have been a success, but he went into it on too big a scale. He could not control the amount of stock, and, isolated as we are, he was not in a position to go into the market and buy the requisite number of stock to keep the gorse down in the spring months. I think a great deal might be done in working gorse and danthonia together. Danthonia is improved by burning. As the gorse gets ahead of it you can burn it off, and you can get the succulent shoots to come on again, and they are very excellent food for sheep.

348. Have you had any experience with respect to paspalum grass?—I have had no experience, but I have heard that it is very good during the summer, but not during the winter. I understand it gives good succulent feed during the summer months, especially in dry weather like we have had this year, but in the winter very little feed can be got from it at all.

349. Mr. McCutchan.] With reference to your scheme for settling Native land, would there not be a danger of creating a Maori landlordism?—I am not prepared to say in what way the Government should deal with it. I think the Government should reserve sufficient land to support the Maoris—that they should not do any injustice to the Maoris—and then deal with the balance of the Native land, in what way I am not prepared to say; but it should be profitably settled by European settlers.

350. With regard to reserves for the use of the Natives, would you individualise the titles to those reserves and make them subject to improvement conditions?—It would be an advantage to individualise them, in one way. I think there are a good many Natives who thoroughly understand how to work the land, and I think they ought to be encouraged to do so. At the present there is no encouragement to improve and work the land, because the titles are not individualised, and if one man gets his land into grass his neighbours come down with their stock and take advantage of his work. I think if it were possible to get the title to the portion of land left to the Natives individualised it would encourage a good many of them to cultivate the land.

351. With reference to grants, you speak in condemnation of the present system. Have you any better scheme to put forward in connection with the roading of the country—anything that would be more secure?—I cannot say that I can suggest any other way, but I think the local bodies should have a more assured finance than they have at present. At present the amount of money that should be granted for any particular district seems to be at the will of the Government, and we up in this part of the colony certainly have come off very badly. We should certainly have a large proportion of Government grants, situated as we are in this district with so much Native and Government land lying idle and not contributing to local revenue.

352. You think that the ratepayers of a county in which there is a large area of Crown and Native land in expending their rates are really adding to the value of the Crown and Native land, and therefore they should receive more help?—Yes.

353. We have heard a good deal about gorse. If it is nitrogen that the soil requires, it seems a rather expensive way in which to give nitrogen to the ground. Do you not think it would be cheaper to have the soil analysed, and by means of artificial manure restore the nitrogen that is chiefly wanted in the soil?—I am afraid it would be more expensive to deal with this soil in the way you suggest than in the other way. I want to safeguard my statement by saying that I do not know that it would be a wise thing to do on account of the danger of the gorse spreading to better land, but if it is possible to prevent that I should say put all the poor land into gorse—that is, the land that has been spoken of to-day as worthless.

354. Have you had any dealings with the Land Board?—No.

355. Have you had any experience of the Advances to Settlers Department?—No. I may say that I think two members of the Land Board should be elected to represent the country districts.

356. Do you think that four members are adequate for a large land district such as the Auckland Land District?—I think so.

357. Do you think that one member is sufficient to represent the North of Auckland district?—I think, if he were a man who thoroughly understood the country districts and the land, one member would be sufficient.

358. *Mr. Paul.*] Would you advocate the cultivation of gorse on land that might possibly some day be used to better advantage?—I would not advocate the growing of gorse on any land that could be termed good land. It would be only on such land as has been spoken of to-day as worthless.

359. *Mr. Anstey.*] You are a member of the County Council?—Yes.

360. There are no Road Boards in your county?—No.

361. Do you know how much money was spent in your county last year in the way of Government grants?—I think only £200 or £250.

362. Do you know how much was voted for the purpose?—I think all that was voted we had authority to spend, and I think it was from £200 to £250.

363. Do you know whether there were any other Government grants expended?—I think so, but the amount was trifling. It might have been £100.

364. It was less than £250?—Yes, I think so.

365. Do you think it would be a wiser plan to do away with the system of Government grants altogether, and in return give you a larger rating area and possibly a larger subsidy, so that you would have an assured finance, rating the Government land, say, up to a quarter or half its value, and also rating Native land?—We were much better off under the old system than we are under the present system.

366. Supposing the old system were reverted to, either wholly or in part, could you do without Government grants altogether?—I think we would still want some help. I maintain that we should have greater help in this district.

367. Do you think it is a wise system to supply you with Government grants which are given more or less spasmodically?—I do not think so.

368. You think it would be better to adopt the system under which you could be sure of the amount you would receive?—Certainly.

369. I understand that your farm is under English grasses?—A great deal of it.

370. Is there any of it under danthonia?—Some of it, but it will hold English grasses.

371. Do you find that you have sufficient feed for your stock—that is, as many as you can keep in the summer?—I always help it out with hay and a small area of turnips.

372. Do turnips grow well in that land?—They do very well, but we always put in manure in order to start them with.

373. How much to the acre?—About 1 cwt.

374. You can grow heavy crops of turnips?—Yes.

375. *Mr. Forbes.*] Is the land round about here increasing in value?—The last Government valuation showed a considerable rise in the value of land in the Bay of Islands County.

376. Is there any Government land about here that could be cut up for settlement?—I do not hear of any near here. There is not a great deal of Government land left in the Bay of Islands County, and I think what is left is rather the poorer class of land, and is away back.

377. I suppose it is mostly freehold land about here?—Yes.

378. Are the freeholders doing well? Are they actually freeholds, or are some of them mortgaged?—I think in some instances they are mortgaged, and in other cases they are not. They seem to be doing fairly well. They have done better during the last year or two than previously.

379. *Mr. Hall.*] There is not a great extent of Crown land in this county?—I think the area is about 15,000 acres.

380. But in the North of Auckland is there a large extent of Crown land?—I cannot say definitely what is the area.

381. Do you think settlement would take place under leasehold without right of purchase on the Crown land now remaining in this part of the colony?—I do not think so.

382. Do you think the *bond fide* settler taking up Crown land is entitled to the most liberal conditions on which he could get it?—I should give it to him provided he fulfilled certain conditions. I would really revert to the homestead system—the area being limited.

383. *Mr. Clarke* has explained the difficulties that exist in consequence of so much of the land in the county being still in the hands of the Natives. Do you think the difficulty is insurmountable of getting legislation passed dealing with Native land satisfactorily and with justice to the Natives?—I do not see why it should be insurmountable.

384. Would they be very adverse to pressure being brought to bear to almost compel them to have their titles individualised?—I think they would. They are most touchy in respect to any dealing with their land, and you would have to use a good deal of tact in dealing with them.

385. Would it do to inform them that if their titles were not individualised within a certain number of years the State would step in and deal with them in some way?—Yes, in some way.

386. With regard to gorse, you have explained how if gorse was allowed to grow on the land for a number of years it would supply certain constituents to the soil. But would not the gorse die in twenty years?—It would die naturally.

387. I have seen gorse after living for a certain number of years get weak at the root. If the gorse were burnt off then would not the root be very weak indeed?—I do not think so.

388. Do you think it would require a team of bullocks to break the land up?—You would have to break it up with a strong plough.

389. *Mr. Johnston.*] You do not do any agricultural work on your farm. Is that because it is volcanic land?—Yes; there is very little of it ploughable.

390. Would it crop if it was ploughable?—It would grow anything if it was possible to work it.

391. It is better as sheep country?—It will carry, I should say, one sheep and a half to the acre, and a beast as well—one to 5 acres in addition to the sheep. I am speaking of the volcanic land.

392. Are you a member of the Farmers' Union and one of the executive?—Yes.

393. You say the Natives paid rates at one time—did the Natives or the Government pay them?—The Government paid them.

394. Why would not the Crown land be taken up if they were offered under the leasing system?—I think that, as far as the land in the north is concerned, it is of such a quality that it should be almost given to the settler on his fulfilling certain conditions.

395. I suppose if it were given at 1d. an acre, or something like that, with a long term of lease, it might be taken up?—There is a desire to possess the freehold.

396. Have you been down South at all?—Not in the South Island.

397. You have not seen how the settlements are working under the Land for Settlements Act?—No.

398. You have had no experience of it at all?—No, only what I have read and heard.

399. *Mr. Matheson.*] Are you aware that some counties in the colony have borrowed as much as from £20,000 to £50,000 to help on the roadmaking in their district, on which loan the settlers pay special rates?—I am aware that they are allowed to borrow up to a certain amount.

400. If rates were paid on all Crown and Native land by the Government, and if, in addition to that, they gave £1 for £1 on all money raised by loan, do you think that would be a businesslike and satisfactory way of constructing and maintaining roads, and would enable you to do without special grants?—I do not know.

401. It would give any district that had large areas of Native land a larger amount in rates, just as if the land was in the occupation of Europeans?—I would not like to say without thinking the matter over.

402. Do you think it would be an improvement on the present uncertain method?—I think anything that will give the local body an assured finance is what we all want. An assured finance is preferable to the present system of Government grants.

403. Have you thought of any other plan as an alternative to the suggestions which have been made to-day?—I think that a good plan would be for the Government to revert to the old system of paying rates on Native and Crown land.

404. You think that, even if that were done, you could not do without grants; but if £1 for £1 were given on all loans raised, would that be sufficient?—Yes, I think so.

405. *Mr. McCardle.*] You have said that there is no great extent of Government land left in this county?—Yes.

406. What area of Native land have you got?—I think, 155,000 acres.

407. Would you favour a system of this kind in dealing with Native land: that the Government should grant the Natives out of blocks now held by the Natives, say 50 acres each, and the Government then take over those lands and deal with them by settling them in the ordinary way and giving the Natives interest on the capital value ascertained at present date—do you think that would be equitable?—I think that something of that sort would be a very good plan.

408. Do you think the country can longer afford to wait until the Maori is prepared to propound some scheme of settling their lands?—No; I think it should be pushed on.

409. Do you think the time has arrived when the Maoris should be treated as Europeans are treated?—Yes, provided we do not do them any injustice.

410. I suppose you are aware that there is a great desire amongst a number of the Maoris to have equal treatment with Europeans—equal representation in the House, and the free administration of their own lands?—I did not know that.

411. The other proposal, you think, would be a more feasible one, the interests of the Natives being protected?—Yes.

412. *Mr. Anstey.*] Do you think it is advisable and feasible to individualise the monetary interest of the Natives in the land rather than allot them their individual share of a block?—It might be more feasible, but it would not give the individual Maori so much incentive to improve his block of land. I think the Native would desire to know that the land was his own.

413. If you individualised his monetary interest in the land, could not that be done?—I could not say.

414. *Mr. Hall.*] Pending the settlement of the Native-land tenure, is there any reason why the Government should not pay the rates and register them against the land?—I do not know of any reason.

415. The same as local bodies do on freehold land belonging to Europeans if they do not pay the rates?—I know of no reason why that should not be done.

416. Would that hasten a settlement of the question?—I think it would work in that direction.

JAMES EDWARD DAY KEMP examined.

417. *The Chairman.*] What are you?—I am a farmer, and hold 300 acres of freehold and 200 acres of leasehold. The leasehold is on an annual tenure. My land is at Te Ahuahu.

418. What, in your opinion, is the best tenure in the interests of the settler and the country?—I am in favour of the freehold.

419. I suppose you use your land principally for grazing?—Yes, sheep, cattle, and horses.

420. Is there any particular matter you would like to bring before the Commission?—I desire to say something in regard to Native land.

421. What is your view in respect to the best method of bringing these Native lands into a better system of occupation?—It is a very hard question to deal with, but I think the best way would be to individualise the Native titles. I do not think I would give them the right to deal

with private purchasers; but even that would be better than the present position. I think there should be Government supervision. I think if the Native lands were individualised they would very soon deal with them as Europeans deal with their land. I think there are very few of the Maoris who are fit to work their own land, but, at the same time, I think they could sell or deal with them satisfactorily.

422. Do you think the Maori is, as a rule, fit to be intrusted with his land in the matter of selling?—I think the average Maori is as fully equal to dealing with his land as is the average European.

423. But after he has sold the land, and got the money in his pocket, what will be his position?—I do not altogether advocate it, but it would be better than the present system, and I think that the State would be better off if such a system were adopted. At the same time, I think that the Government should supervise matters to a certain extent, and see that each Native had sufficient land to live upon. As far as the rent of the land is concerned, I think I would allow the Natives to deal with it as they please.

424. *Mr. Paul.*] Is the yearly tenancy of your lease satisfactory?—No.

425. What do you use that land for principally?—Grazing.

426. You have put no improvements on it?—No more than I am obliged to.

427. Do you come to your present conclusion with respect to the freehold and leasehold question on this experience?—No. I rejoice that it has been bred in me to be a freeholder, as I think every Englishman should be.

428. Do you think there is any comparison between this yearly tenancy and the perpetual lease?—A perpetual lease would be far better than a yearly lease.

429. Have you had any experience of the working of the land-for-settlements policy in the South?—No.

430. *Mr. Anstey.*] Do you think that it would be possible and be better to individualise the monetary interests of the Natives in a block rather than the area to which he is entitled?—The Native-land question is one of great importance not only to this district, but also to the whole of the North Island. I think that the Government might take over the whole of the Native land and apportion a certain amount to each individual, and allow him interest on the capital value of the balance. That is the only way I can see out of the difficulty. I think it is a more costly thing that the land should remain idle as at present.

431. Would it not be very much easier to individualise the monetary interest of the Natives in the land?—Under the system I have just advocated I think that could be done.

432. Would not that be a more feasible scheme than to individualise his share in the land?—Possibly so.

433. *Mr. Forbes.*] Have you had anything to do with the Land Board?—No. I think the Land Board should be composed of men who thoroughly understand farming, and I think they should have more local knowledge, and should travel through the country and see the land for themselves. Unless they do that, I do not think they can do justice to the questions which come before them.

434. If they were representative of the whole of the Auckland Provincial District do you think there would be a better chance of their knowing the wants of the different parts of the country?—Yes.

435. *Mr. Hall.*] Do you foresee great difficulty in getting the title to Native land individualised?—Yes.

436. Would the matter be more easily accomplished if the Government took over the land and dealt with it, or would the one be as difficult as the other?—There would be great difficulty in any case, but I think no time should be lost in dealing with this question.

437. *Mr. Johnston.*] What is the class of your land?—Volcanic.

438. Is it good land?—Yes, first class.

439. What would it be worth an acre?—About £8.

440. How many sheep will it carry?—I have three hundred sheep on the freehold, and the land also carries 150 sheep, 120 cattle, and twenty horses.

441. What is the other land like?—Similar in quality, but not so much in grass.

442. Was it originally bush?—Mostly fern land.

443. Does it hold grass well?—Yes.

444. Would the fern come up again if it was neglected?—Yes, in two or three years.

445. Have you had any handling of the medium manuka land?—Yes.

446. Will it take grass?—Some of it will take grass.

447. I refer to the land with tea-tree on it about 6 ft. high?—I have tried a good many experiments with it, and my greatest success was through a mistake. I had the scrub cut in January, and it accidentally caught fire in March and a portion was burnt. I sowed that in danthonia and mixed grasses. The danthonia did well. None of the scrub came up, and the land is still in good grass, considering its quality.

448. Can this scrub be kept down?—Yes, if once you get the danthonia into it. I have also fallen scrub and let it lie for twelve months with good results by sowing danthonia.

449. Do you consider this danthonia will be the saving of the scrub country?—I believe it will.

450. How would it do on the pipeclay stuff?—I do not think that is worth troubling about.

451. Were you born here?—Yes.

452. Can you offer any suggestion for the utilisation of the poorer class of country?—I think not, except that it might be used for orchards.

453. Have you seen the working of the land-for-settlements scheme in the South?—No.

454. About gorse-growing, do you indorse Mr. Ludbrook's opinion?—My idea is that if you have any decent land you should keep the gorse away from it, but on poor land I am rather a

believer in it. I have known men who otherwise would have had to give up their land, but who, through the medium of gorse, have been enabled to make a living. In that case it was not originally grown as fodder, but it got on the land, and they utilised it as fodder.

455. Do you not think the most feasible way of dealing with the Natives would be to give them the choice of 50 acres each, which they are entitled to under the Act, and then take over the balance, ascertain their interest in the land, and grant them colonial debentures, on which they would be paid interest?—I think the idea is very good, but it would require a good deal of working, as it is so difficult to come to the point with the Natives.

456. Are you aware that the Natives are claiming that the only way of dealing with their lands is to give them the absolute right to deal with it themselves?—Yes.

457. You know the Native and his position at present?—Yes. He is really doing nothing with his land.

458. You are aware that if the titles were ascertained to-morrow the Natives are not allowed to sell?—Yes.

459. They are only allowed to lease their land with the approval of the Maori Councils?—Yes.

460. Well, if their titles are individualised, do you think it would be sufficient for the requirements of settlement that they should put their land under the Maori Councils?—I do not believe in the Maori Councils at all.

461. Do you believe that some change must take place with regard to these Maori lands?—There is no doubt about that, I think.

462. Why did you lease your 200 acres under unsatisfactory conditions?—Because I required rather more land than I held as freehold, and I could get it in no other way.

463. Could you not buy it?—No, the man who holds it would not sell.

JOHN JULIUS LINDVART examined.

464. *The Chairman.*] What are you?—I am a back-block settler at Awarua, about nineteen miles from here. I hold 772 acres, which I took up for cash, and 1,134 acres leasehold on occupation-with-right-of-purchase tenure.

465. Which tenure do you prefer?—I prefer the freehold.

466. What are you paying for your occupation-with-right-of-purchase section?—12s., capital value.

467. I suppose you use the land for sheep and cattle?—I have only been there eighteen months, and have not had much chance of using it.

468. Have you any particular point you would like to bring before the Commission?—I applied to the Government Advances to Settlers Office for a loan on the section I took up for cash. I paid the valuation fee, and I was told I could not get the full amount until I had complied with the conditions of residence, and so on. I had not the Crown grant.

469. How much money did you ask for?—£350.

470. How much did they offer?—£300.

471. Did you manage to get the money in any other way?—I managed to raise some, but the Advances to Settlers Office ought to have told me before. It was three or four months before I got any information.

472. Is there any other point?—Yes. I want to say I am bounded by Crown land and by Native land, and neither the Crown nor the Natives will fence. I have to put up all the boundary-fences at my own expense.

473. Well, that is the law with regard to Crown land. If any one takes up a piece of the Crown land alongside you you can charge him with part of the expense of fencing. As to Native land, I suppose you cannot get anything out of them?—No.

474. *Mr. Paul.*] Did you refuse the offer of £300 from the Advances to Settlers Office?—I accepted the offer.

475. But the Board will lend money on improvements on a leasehold?—I had certain improvements on my leasehold too.

476. How much?—A little over £100.

477. *Mr. Forbes.*] If you had taken up your land under the leasehold tenure, would not that have left you with money available for what you required?—Yes; but if I had taken the land under leasehold I might have lost it because I could not have complied with the residential clause.

478. So you thought it was better to sink your money in buying the land when you really required the money to go on with your improvements?—Yes.

HUKERENUI, FRIDAY, 19TH MAY, 1905.

THOMAS HEDLEY examined.

1. *The Chairman.*] What are you?—I am a farmer. I farm 200 acres, which I obtained through the homestead system. I have been farming my land about twenty-three years. It is at Ruapekapeka.

2. Have you had it in grass most of the time?—Yes, grass and fern mixed. It was originally bush. I have a paper here which I would like to hand in. The settlers of Ruapekapeka held a public meeting, of which I was chairman, and they adopted these resolutions which I was asked to bring down.

The following are the resolutions, which were read by the Chairman:—

“Tapuhi, 13th May, 1905.

“GENTLEMEN,—Having been asked to give evidence on matters within the terms of your Commission, we, in meeting assembled on the 13th May, presided over by Mr. Thomas Hedley, dealt with the several items with which your Commission deals in the manner as follows:—

- “1. We recommend that the constitution of Land Boards remain as at present.
- “2. That land-tenures remain as at present, with the addition of the old homestead in places where suitable, and also that no new rural lands be offered for selection under any one system of land-tenure only.
- “3. That the present working of the ballot system remain in force.
- “4. That Land Boards should have power to reduce the capital value in cases where originally it had been fixed too high.
- “5. That the Government should make ample reserves for the Natives, and that these reserves should be inalienable, and that the Government have power to deal with the surplus lands as they think fit, for the benefit of the Natives and the State.

“THOMAS HEDLEY, Chairman.

“To the members of the Land Commission.”

3. How many people do you represent?—About twenty-five families.
4. Do you believe that the holders of leases should have the opportunity of ultimately acquiring the freehold?—I think the opinion of the meeting was that if a person had taken up a lease in perpetuity he should stick to whatever contract he makes.
5. Do you know anything about the ballot system?—I do not know the details of it, but we think the ballot is better than allowing the land to be put up to auction.
6. *Mr. McLennan.*] Do you know anything about the Advances to Settlers Office?—No.
7. Are you satisfied with the Land Boards as at present constituted?—We are quite satisfied with the Land Board. I myself have had no dealings with the Land Board, except when I selected my land; but from what I hear people are satisfied.
8. *Mr. Paul.*] Can you express any opinion on the question of periodical revaluation as applied to future leases?—I have no opinion on the subject.
9. It seems that in paragraph 4 of your resolutions you have only provided for cases where the capital value is fixed too high?—That is all we were thinking about.
10. What would you propose to do where it was manifestly fixed too low?—The Government being the stronger party should stand the loss until the revaluation comes in.
11. Would you apply your principle to cash lands?—No; when a person has paid the cash for his land it is done with.
12. But he does not get his title even under the cash system until he has resided for several years?—I did not know that.
13. Would you apply this to the occupation-with-right-of-purchase system?—Yes, and all the leasing systems.
14. *Mr. Anstey.*] With regard to clause 5 of your resolutions, dealing with Native lands, do you mean that the Government should take the surplus Native lands without payment?—No, after making ample reserves for the Natives the Government should purchase them, and sell to Europeans and Maoris alike.
15. Would you propose that these reserves should remain under existing titles, or would you give Crown grants for them?—My own idea is that there should be settlements reserves for the families, and around those settlements I would have commonages on which the Natives should have the right to run cattle. Then, as the younger men married, they might have the right to take farms while there were sufficient areas left.
16. You would be upsetting Maori customs?—I do not think so. I think it would tend to retain their customs.
17. What about future generations?—We cannot provide indefinitely for the future.
18. *Mr. Forbes.*] Is there much Native land about here?—I can hardly say, but there is one block of about five miles square near here.
19. Are there many Natives living on it?—Just on the edge of it. They occupy a very small portion of it.
20. After making the reserves you speak of, do you think there will be a good surplus left for cutting up?—I think so.
21. Do you believe in the homestead system under which you took up your land?—Yes, it was a most liberal law and most liberally carried out.
22. Have your settlers remained on the land?—Yes.
23. Have they cleared the land?—Yes; our settlement is something like twenty families, and there are other settlements along the road you came to-day.
24. Do you think the Government would do well to reintroduce that homestead system?—Yes, where it is suitable. We cannot expect the Government to open some of the finest lands in the country on that system.
25. Is it any good putting men on this poor clay tea-tree land?—Not a bit.
26. *Mr. Hall.*] In the case of lands which you say have been valued too high, do you fear that some people may vacate their holdings on that account?—I do not know about that.
27. *Mr. Matheson.*] Your petition says that you want the land to be opened under more than one tenure: do you wish the applicant to have the choice?—Yes.
28. Do you personally approve of the lease-in-perpetuity tenure?—My own idea personally is that the land as a whole belongs to the people, and that none of it should be parted with; but I do not see how that idea can be carried out now.
29. How long is it since you first put some of your land in grass?—About twenty-two years.

30. Has the grass been holding well?—I do not think it is standing particularly well.

31. Is yours hill country?—Yes, most of it is very hilly.

32. Do you see any way of helping it to regain its first freshness?—Well, I cannot. The fern is coming up a good deal.

33. How do you account for that?—I account for it by the climate, which has been somewhat different last year. It is excessive moisture that causes the fern to grow.

34. *Mr. Johnston.*] How many people were there at the meeting over which you presided? Were there twenty?—Over that.

35. You do not give a list of names of the settlers with the areas they hold?—I could not give them offhand.

36. Does gum-digging interfere with settlement here?—Not much now. If it had not been for the gum I do not think three out of four could have lived on their farms at all.

37. Are the settlers able to live on the land now without the gum?—A good many are, but a good many have fallen back on the timber for work.

38. Do the farmers' sons go gum-digging, or do they attend to the land?—They do not care much for the land, as a rule.

39. Can you suggest any remedy for that?—No, I cannot.

40. Do you think it advisable for the County Councils to administer these reserves?—I could not give an opinion upon that.

41. Do any of the gum-diggers settle on the land?—Some of them have taken up land—in fact, a good many.

42. What area do you consider it advisable a settler should have on this bush country?—It should not be less than 200 acres to a family.

43. What about the scrub land?—It is not easy for me to say how much of that a man should have to make a living.

44. *Mr. McCardle.*] You say you would not allow any lease-in-perpetuity holder to convert his holding into an occupation-with-right-of-purchase tenure: when settlers have been compelled to take up land under the lease-in-perpetuity tenure, would you treat them in that arbitrary way?—I am confined to these resolutions.

45. Let us have your own opinion?—Well, personally, I am a believer in each man sticking to his contract unless there is some extraordinary difficulty in the way.

46. Take the case of the Kawhia lands, for instance, which were advertised as opened under the occupation-with-right-of-purchase system and withdrawn at the last moment, so that the settlers were compelled to take them up without any option of purchase?—I do not know what I should say about that.

47. You say you know nothing about the details of the ballot—the first and second ballot, for instance?—No.

48. *Mr. McCutchan.*] In the resolutions you have submitted you say that the Land Boards should have power to reduce the capital value where the price is considered too high. If the price is too high there is a mistake in the original valuation?—Yes.

49. It is generally supposed that the fault lies with the surveyors?—Yes.

50. Would you approve of its being made compulsory upon the Commissioner and members of the Land Board, who are generally practical men with a knowledge of local conditions, to visit those blocks and revise the surveyor's valuation before the land is put on the market?—I could not say how it should be done; it is merely the principle I go on.

51. Would it not be better to take extra precautions before the land is put on the market, because we have a large area of Crown lands yet to be settled?—I could not suggest any scheme to prevent valuations being made too high.

52. You think there should be no interference with the terms of the 999-years lease?—All I say is that I should not like to see contracts broken.

53. You are opposed to the principle of the Rebate of Rent Bill?—Yes. If there has been an error made in the beginning it cannot be helped.

54. There was a Bill to give a tenant a rebate if he paid his rent promptly?—The Government would do that from a business point of view. I have nothing to say against that.

55. I suppose you are aware the Trades and Labour Councils of the colony are using the fact that the tenants have been given this rebate as an argument why the rent should be increased when the land has increased in value? Do you think that is a legitimate ground for the Trades and Labour Councils to take up?—There can be no increase in the rent until the lease has expired, that is certain. As for this revaluation, I do not understand it too well.

56. I suppose you are aware that the trades and labour unions are advocating that the present leases should be interfered with?—I would not approve of any interference with the present leases.

57. Is it not a question of whether the Trades and Labour Councils can place people in power who will give effect to their views?—I would not approve of anything so high-handed.

58. Do you think the Crown tenants of the colony, in view of the agitation going on against them, are safe under the 999-years lease?—I do not think anything is solid, because you never know what Parliament will do in the future. I think there will always be trouble to the end. The leaseholders will be always wanting the freehold, and I do not see any way out of the difficulty.

59. *Mr. Hall.*] If the conditions of acquiring land in this locality were made more liberal and more in the interests of the settlers, would that, with the timber and gum industry, tend to a greater amount of settlement?—My own idea is that the people who take up land on lease here in the north should be exempt from rent for twenty years. As to the timber and gum industries, they are what help to keep the people going when they first take up land.

61. *Mr. Paul.*] You have been questioned as to the action of the Trades and Labour Councils of the colony: can you say when they made this pronouncement so far as revaluing the present leases is concerned?—I do not know anything about the action of the Trades and Labour Councils. I am not in the way of hearing about it.

62. Can you say when the Farmers' Union commenced to agitate for the option of the freehold to be given to Crown tenants?—No.

63. You cannot say which agitation commenced first?—No.

64. Do you think that a majority of the people of this colony will ever agree to breaking the contract with the Crown tenants without compensation?—I cannot say what might happen in the future.

HENRY JOHNSON examined.

65. *The Chairman.*] What are you?—A settler. I have 98 acres of land on perpetual lease and 400 acres on grazing lease.

66. What rent are you paying?—On perpetual lease 6d. an acre, and on the other £2 per 100 acres. My land is just close to here. The perpetual lease I have had for twelve years, and the grazing lease for two years.

67. Are you satisfied with the tenure?—No. My objection is being compelled to continually pay rent on it, and there is no possible prospect of getting the money out of the land. I refer to the perpetual lease.

68. Have you any objection in regard to the grazing lease?—Yes. My objection is that a man gets nothing for his improvements.

69. What is the term of your lease?—It is a year-to-year lease of some land in the Puhipuhi Forest. I am running cattle on it.

70. Of course, you took it up knowing all the conditions?—My idea is that the Land Board should have power to see that a man gets the value of the improvements he does.

71. I suppose you would not do many improvements with a yearly tenure?—Well, alongside this lease I have a small piece of land which will only grow tea-tree, and a man wants another piece on which he can do something. The timber is all cut off and cleared away from this land I hold on grazing lease.

72. What is your idea about the tenure?—I think it should be freehold. In the case of leases, I think there should be the right of purchase at the original valuation.

73. Is there any other matter you would like to bring before the Commission?—No.

74. *Mr. Paul.*] Do you mean that the holder of a lease in perpetuity at present should be allowed to purchase on the original valuation?—Yes.

75. You understand that a man who takes up land under lease in perpetuity pays a rental of 4 per cent., while a man who takes up land under occupation with right of purchase pays 5 per cent. Now you propose to give the lease-in-perpetuity holder an advantage over the other by giving him the land at 4 per cent. Do you consider the right to the freehold a more valuable tenure?—Certainly.

76. Do you not think he should pay something for it?—No; I think they pay enough now.

77. *Mr. Anstey.*] Do you think the tenants of education and other reserves should have the right to the freehold?—I reckon any settlers on Crown lands should have the right to acquire the freehold.

78. On these endowments also?—Yes.

79. What about private leaseholders?—Well, a private leaseholder will make his own arrangements.

80. Are you making a living entirely out of this land of yours?—No; I have to work outside. No man who was ever born could make a living out of it.

81. What would be the use of it as a freehold if you cannot make a living out of it?—It is merely to keep my family together.

82. What grass have you sown on it?—Cocksfoot, bay-grass, and several others.

83. Have you sown danthonia on it?—There is danthonia on it, but I have not sown it.

84. Has it grown to any extent?—No.

85. *Mr. Forbes.*] Have you a branch of the Farmers' Union here?—Yes.

86. Do you represent them at all?—No.

87. Is it the general wish of the district that they should get the option of the freehold?—I think it is. At any rate, it seems to be the wish of all the people I have been talking to.

88. Have they any complaints to make about the way the Land Boards are administering these lands? Are they pressing at all hardly on the settlers?—Well, the valuations are certainly too high.

89. Are the other conditions easy enough—as to residence and improvements?—Yes, I do not think they are out of the way.

90. Is the land around this place mostly leasehold?—Yes.

91. Are the settlers in a position to buy the freehold if they had the option?—Very few of them.

92. Would they wish to mortgage themselves to buy the freehold?—I do not think they would care about that. What they would like is to have the land at a smaller valuation. Instead of letting these gumfield hills at 10s. an acre and our having to pay rent right away, I think we should have it for a few years for nothing to give us a start. Then let 5s. an acre be put on to this inferior land.

93. *Mr. Hall.*] You say that in regard to the lease-in-perpetuity tenure there should be a clause giving the option of purchase: do you mean that to apply to leases in force at present?—Yes, all existing leases.

94. Might not that lead to interference with freehold and all other tenures?—I do not know about that. I am speaking as a leaseholder. It is this continual rent business we are trying to get over.

95. *Mr. Matheson.*] Have you had any experience of the Advances to Settlers Office?—No.

96. Is there much timber being cut in this district on Government land?—There is still a fair amount in the Puhipuhi Forest.

97. Is much of it carted over the roads?—None of it over the roads.
98. How long were you in the district before you took up your section of 98 acres?—About a month.
99. Did you know anything about the land when you took it up?—No, or I should not have taken it.
100. Would you be willing to make it a freehold at the original value?—No.
101. What do you do besides farming?—Just work in the bush.
102. Would you give the tenants under the Land for Settlements Act the right to have the freehold?—I do not understand that Act.
103. Have you done any gum-digging?—Not since I have been on this land.
104. Do you think the gum interferes with settlement at all?—No; it helps. Most of the settlers around here have got some, and they are able to go and dig gum.
105. Does that not tend to unsettle the boys?—It would unsettle the fathers quick enough if the gum was not there for them to dig.
106. Do you think it is good for the boys to go away gum-digging?—What is a settler to do.
107. *Mr. McCardle.*] Do you think the Parliament of the country would have set up this Commission to inquire into the question of amending existing leases if they thought it was going to altogether disorganize the land-settlement of the country?—I do not know.
108. Is it not a fact that they set up this Commission to inquire into and report upon that very subject, among others?—I have heard so, but I could not be sure about it.
109. You consider you are justified in asking for the freehold?—Yes.
110. Is the land here capable of improvement if it were drained?—Yes, I suppose so; but it would take money to do it.
111. I suppose you have your home already established on the land?—Yes.
112. And you are anxious to preserve it for yourself?—Yes.
113. *Mr. McCutchan.*] How long is it since you took up your 98 acres?—About twelve years.
114. Under the Act of 1892?—I think so.
115. You have the right of purchase at 10s. an acre?—Yes.
116. What improvements have you put on the land?—I do not know exactly, but it is and above what is required by the Act.
117. It is your intention to exercise the right of purchase?—Yes.
118. Even at the present price?—Yes, if I cannot get it at any better price.
119. What is the reason for your taking a yearly lease of the 400 acres which the timber has been cut off?—I have come here myself to try and find out the reason.
120. You cannot possibly be utilising that land advantageously under a yearly lease?—Well, I have felled the bush on it; I have fenced, and I am sowing it in grass now, and I am going to put the plough into it. I cannot do anything with the 98-acre section.
121. Is there any provision for yourself in regard to these improvements you are making?—No; I will just have to go off and leave it if they "fire" me out.
122. You get no compensation for improvements?—No.
123. There is no reason with which you are acquainted why you should not get the lease for a term of years?—That is what I wanted to try and do. That is my principal reason for coming here. I have ten sons, and I am trying to keep them at home with me, and if I cannot get a piece of land on which they can work I shall have them scattered all over the country. That is why I am trying to do something with this grazing lease.
124. Has the English grass you have sown held well?—I have sown three or four times, but in about two summers these English grasses die right out.
125. Would it not be better to go in for the recognised grasses?—I have put bay-grass on it and danthonia is coming up, but that danthonia does not seem to me to be the right sort.
126. Do you think a minimum price of 5s. an acre on these poor lands is sufficiently low?—I think the law should be altered to give them to a man for next to nothing.
127. The residence conditions in the case of the lease-in-perpetuity tenants is ten years' continuous residence, and for the occupation-with-right-of-purchase tenants six years. Do you see any reason why there should be any distinction made in the residence conditions as between the two tenures?—No. I would rather see the ten years reduced to six; I think that is quite sufficient.

EDWARD ROWLEY examined.

128. *The Chairman.*] What are you?—I am a settler on 50 acres of land, which I have held about eighteen years.

129. What is the tenure?—Formerly it was village settlement, and then they forced me on to lease in perpetuity.

130. How were you forced?—Sir George Grey distinctly told us they would not claim any rent for the village-settlement land. I have brought up a family of eleven on my 50-acre section, and I found it impossible at one time to pay my rent. The consequence was they sent me word that if I did not change to lease in perpetuity I would have to forfeit my little holding.

131. What rent was fixed on the lease in perpetuity?—£1. I had no road for ten years, and when the revaluation came in it was valued at 12s. I was paying 5 per cent. until they forced me on to the lease in perpetuity.

132. Do you say the Land Board gave you no option of either going under the lease in perpetuity or forfeiting your section?—They gave me no option whatever, because they sent me the papers.

133. Do you like your present tenure?—No, because I am merely a water-carrier all my life for the Government. I believe every man likes to be cock of his own dunghill; and another thing is, if he has a chance of getting the freehold he will effect more improvements. In the ten years I have improved my section to the full satisfaction of the late Commissioner, Mr. Mueller. When

I first got the lease in perpetuity I thought I was a little more secure, but I have found out since that I am no more secure than I was under the village settlement. They seem to be able to turn the Acts passed in New Zealand upside down. They can do what they like with them.

134. When they gave you the lease in perpetuity did they forgive you the arrears?—No; the whole thing was capitalised.

135. But they reduced your rental?—They reduced it from £1 to 12s. 6d., but that was before the tenure was changed.

136. *Mr. McLennan.*] Have you had anything to do with the Advances to Settlers Office?—No.

137. Have you had any dealings with the Land Board?—Yes, and I told them that if they would give me the 5 acres round the house, where I have my bit of orchard, they could take the rest.

138. Have you not managed to grow anything on it or bring it under cultivation?—I have tried to grow oats, and have spent money in sowing grass-seed, but the ground will not grow them, although I ploughed it three or four times.

139. *Mr. Paul.*] Do you approve of the revaluation which reduced the capital value of your land?—Decidedly so, because if it had not been reduced I could not have paid the rent at all.

140. Could you have acquired the freehold at the original capital value of £1 per acre?—No.

141. Could you acquire the freehold at present if you had the option?—My boys would work and help to pay it off. I got £30 from the Government at the start, and I am willing to get my boys to work and help to pay off the £30 if I could get the freehold.

142. Has this land increased in value?—By my own improvements.

143. Has the district progressed at all?—Yes; we have got the railway here since. That was why they wanted to turn us over, so that somebody else could get the land. That is the reason why they forced us under lease in perpetuity.

144. *Mr. Matheson.*] How far were you behind with your rent when you got notice that you must change the tenure or forfeit?—£18, I think. I was several years behind.

145. Does it not seem just to you that when a tenant is behindhand with his rent the landlord should take steps to get it from him, or get a more favourable lease for him?—Not when a man is rearing a family.

146. Do you not think it is the duty of the Government to do their business in a businesslike way?—Yes; but they distinctly said that if a man was not in a position to pay they would not force him.

147. Do you really think the Government did you an injustice, when they found you were four years behind with your rent, and said you must alter to a tenure which would secure the State its payments?—Decidedly so.

148. *Mr. Johnston.*] How long were you a nurseryman in the Old Country?—Five years.

149. You knew the different qualities of land?—Yes.

150. Did you come straight out and go on this land?—No; I selected a section in the Auckland Office, and land which I was told was good bush land turned out to be a swamp.

151. Why did you not “chuck” it up?—I did, and I was told I could select a section on the village settlement.

152. *Mr. McCardle.*] Have you still hopes of improving the land you are on?—Yes, and my boys would assist me.

153. I suppose you are making a home simply for yourself and your family?—Yes.

154. I suppose your sons and yourself have to work off the land?—Yes.

155. *Mr. McCutchan.*] When you allowed your rent to get £18 in arrears were you in a position to pay up the £18 if the Government had taken extreme measures for the recovery of the sum?—No, I was not.

156. So, it was an act of grace when they allowed you to convert into the lease-in-perpetuity tenure?—No, I do not think it was an act of grace. It reduced the rent a little bit.

157. When your lease was converted were the arrears wiped out?—No, they were all capitalised. I am not only paying 4 per cent. on the 12s. 6d. per acre, but also on the £18 of arrears and on the £30 advanced from the Government.

158. In what year did you convert the lease into lease in perpetuity?—About five years ago, I think.

159. Was it in consideration of your accepting this lease in perpetuity that the Government capitalised this £18?—It was not in consideration of that. If I did not accept the change they would have evicted me.

160. Have you got the correspondence in connection with the matter?—I think I have some at home.

161. Was this threat made to you in writing?—I got a type-written letter from the Land Office.

162. Is your present rent paid up?—Yes.

163. If the Government, instead of allowing you to convert into a lease-in-perpetuity tenure, had taken measures to recover the arrears of rent you would have had to leave the place?—Yes.

164. Therefore, was it not an act of grace on their part to allow you to come under lease in perpetuity and capitalise these arrears, and thus make matters easy for you?—I think they could have done it in an easier way than by threatening.

JOHN GRAY examined.

165. *The Chairman.*] What are you?—I am a settler. I hold between 90 and 100 acres under occupation with right of purchase. I have held the land about sixteen years. I pay £5 5s. per annum.

166. Are you satisfied with your tenure?—No.

167. What is the cause of your dissatisfaction?—I do not consider the tenure is secure. I dread a Fair Rent Bill and revaluation.

168. Is that the only cause you have?—Yes.

169. But you have an opportunity of making your place freehold if you like?—Yes, after a time, if the section is not forfeited.

170. Do you believe in the freehold?—I do. I may say I am secretary of the local branch of the Farmers' Union, and I represent the absent members.

171. How many members have you?—About twenty-five.

172. Do you wish to make any statement on behalf of these gentlemen and yourself?—The only statement I wish to make is that we are in favour of the freehold, owing to the insecurity of the leasehold tenure. We wish to pay off the capital value by yearly instalments, and the amount of the rent to be reduced accordingly. To substantiate my statement in regard to the insecurity of the tenure, here is a document which says, "If any lessee or any licensee shall fail to fulfil any of the conditions of his lease or license within sixty days after the day on which the same ought to be fulfilled, his lease or license shall be liable to be forfeited, and he shall be deemed upon such forfeiture to be in illegal occupation of the land comprised in the lease or license, and the Commissioner may proceed for recovery of possession of same." There was a man with 19s. 6d. of arrears of rent, and this is the notice he received.

173. There does not seem to be any insecurity of tenure there. It simply says that if the man does not pay his rent he is illegally in occupation?—That means he can be turned off and get nothing for his improvements.

174. It is a condition of the lease, and if he pays his rent he is all right?—Yes; but there is the insecurity of the tenure.

175. Do you consider the present constitution of the Land Board is satisfactory?—I do not. I think the members of the Land Board should be nominated by the people through their representatives—that is, that the local bodies, such as the County Councils and Road Boards and Farmers' Unions, should each have a deliberate vote in selecting a candidate for the Land Board. At the present time they are nominated by the Government.

176. Have you any views on the matter of the Maori lands here?—We are blocked by the Native lands in this district. A large area of land is lying idle, and is not even paying rates, and that is a great drawback to the local bodies. I think something should be done with the Native lands. If only they paid rates it would be something.

177. Do you think the Government should pay the rates on behalf of the Natives and charge them against the land?—I think something should be done.

178. I suppose here, as elsewhere in the north, you have always far too little money to do the necessary road repairs and construction?—Yes. We have no money at all except grants from the Government. Even the local bodies squander half the rates they collect in administration. I think it is time the local bodies were done away with.

179. Do you think the Government should spend their money by their officers?—They are doing so, and they are doing it well.

180. Would it be better if the ratepayers' money was spent by the Government officers?—Certainly, it would. I think the Government should take it out of their hands altogether, because they are a useless body in the out districts.

181. And still you would intrust the local body with the nomination of the Land Board?—Yes, because it is a simpler way than electing a member to the Land Board.

182. *Mr. Paul.*] Is this form you have quoted the usual form sent out for arrears of rent?—Yes, and they go out in thousands.

183. If the amount had been £19 instead of 19s. this form would have been sent out?—Yes.

184. And this extract on the form is taken from the lease?—Yes.

185. Is there anything wrong in the Department sending out these accounts?—Certainly. It is a threatening letter taking away a man's rights. When he gets that notice they take away his rights.

186. In what way?—It is no security of tenure.

187. Is not this extract distinctly expressed in his lease when he takes it up?—It might be.

188. Then, where is the threat?—In the body of it.

189. If you buy goods from the grocer does he send you in an account?—Yes.

190. If you lease land from a private landlord and get behind with your rent would he not ask you to pay up, and remind you of this clause in your lease?—Probably he would.

191. Is there anything threatening about that?—Yes; but he does not say the land is to be forfeited.

192. This form is strictly in accordance with the terms and conditions imposed by the law?—They are very bad terms, then.

193. The lessee knows of this when he takes up the lease?—Probably he does or he does not.

194. He knows the law?—A man does not get the laws when he takes up land, so he does not know what is the nature of the law.

195. But he knows the Act?—No; the Act is not published for him to know.

196. Do you mean to say that the Act is not published, and that he does not know the conditions under which he takes up the land?—He may know about the conditions, but he does not know the Act.

197. If you were taking up land would you not look at the Act before you took it up?—I would if I could procure it.

198. You can procure it for a few pence?—You cannot procure it in these out districts.

199. You can always get it from the Land Office for a few pence?—Yes, by paying fees.

200. If you comply with the conditions of your lease there cannot possibly be any forfeiture?—Probably not; but suppose a man is overtaken with sickness and cannot pay his rent, the result would be that his section would be forfeited.

201. Do you know of any forfeiture by the Land Board where a man has been unable to pay his rent on account of sickness? Do you not think, from your own experience, that the Land Board have treated cases like that very leniently?—They might take these things into consideration.

202. *Mr. Anstey.*] You say you have no security of tenure: you have the right of purchase?—Yes.

203. Are you prepared to exercise that right?—Yes, when the time expires, if it is not forfeited before that.

204. You have not the right of purchase immediately?—No.

205. How long is it before you can exercise it?—It is a matter of six or seven years, perhaps. I am not allowed to buy until then.

206. Supposing you were a freeholder and failed to pay your debts, what would happen?—I would be summonsed, I suppose.

207. And failing to pay then, would you not be sold out of your farm?—Probably not.

208. According to the law, if you do not pay your debts you can be sold out of your farm, so where is the difference in the security of tenure between freehold and leasehold, when you can be turned out in either case if you fail to pay your just debts?—Well, if I was a freeholder and not able to pay my debts I could go bankrupt.

209. You would lose your farm if you went bankrupt?—Probably I might.

210. Then, what is the difference between the security of the two tenures?—Under leasehold my land is forfeited, and I am deprived of all my improvements.

211. In both cases?—In one case. I am talking about land-tenure, and not about debts.

212. *Mr. Forbes.*] Your Farmers' Union is not a political organization?—No, it is not, so far.

213. Was there a petition sent round this district about the freehold?—No. I knew there was a petition. It was a mistake on our part not to send it forward.

214. Do you know of any case of a section being forfeited by the Land Board in this district on account of any reason?—Yes; the section of the last witness was forfeited.

215. He has a lease in perpetuity, and he is still in occupation of the land?—It was forfeited previous to having a lease in perpetuity. I know others here whose sections have been forfeited.

216. And were they turned off?—No. In one case another member of the family took it up under lease in perpetuity.

217. Were they forfeited for non-payment of rent?—Yes. I know another section that was forfeited, and the man took it up under lease in perpetuity.

218. How would you suggest that the Crown should get their rents in these cases?—I do not object to the Crown getting their rents in a fair and equitable manner.

219. We are here for the purpose of finding out what the tenants think of the operations of the law: can you make some suggestion?—I would sooner that the Act be altered so that a man could be sued for his rent. It is not the right thing to write and tell a tenant his section will be forfeited and that he is illegally in occupation.

220. You think it would be better to summons him in Court for the amount of the rent. In the case of judgment would you then have the Government enter into possession of the land?—Well, something would have to be done.

221. However, you quite approve of the ordinary mode of procedure through the Court?—Yes.

222. You said, in connection with the election of Land Boards, that the Farmers' Union should have a vote: would you give the labour unions a right to have a vote as well?—No, I would not.

223. Why would you not give them a vote?—Because they know nothing about land.

224. Possibly you know that the Land Boards have to deal with the workmen's homes in the cities now. Do you not think that the labourers know something about workmen's homes near and in the cities?—I do not think they do. Men walking the streets know nothing about land or land-tenures.

225. *Mr. Hall.*] Do you say you consider the lease in perpetuity an insecure tenure for the reason that the rents are enforced within a certain time?—Not for the enforcement of the payment of rent.

226. What is the reason given?—Because the land is forfeited, and a man gets nothing for his improvements.

227. It is reasonable to assume that one-half of the freehold farms in the colony are mortgaged. Now, in that case the mortgagee, on the non-payment of interest, forecloses at once, and within thirty days sells the property at auction with all improvements, and there is no redress?—Yes.

228. In your case the whole of the money remains on mortgage, and, surely, it is only reasonable that the mortgagee—the Government—should expect the rent to be paid within a reasonable time?—No doubt that would be the case.

229. *Mr. Johnston.*] I suppose you were very glad to take up this land under this tenure when you got it?—I was not glad to get the land. I was here in business, and I took it up.

230. Could you have taken up freehold land?—No.

231. Have you been farming always?—Not all the time. I took it up as a business site.

232. I suppose you took it up because you saw money in it?—I did not see any money in it.

233. You did not take it up to lose money?—No, I did not.

234. Were you in business here at one time?—Yes, gum-buying.

235. Do you think gum-digging has been advantageous to this district?—Yes, it has settled this and other districts right north.

236. *Mr. McCardle.*] I suppose you are aware that this arbitrary and unreasonable notice sent out to settlers is not the fault of the Land Board, but of the Act as it now stands?—I am well aware of it.

237. What you want is that such a notice should be altered, and your suggestion is that it is more reasonable to threaten him with an action in Court than to order forfeiture under the Act?—Yes, I do.

238. Are you aware that it has been generally felt amongst settlers that this kind of notice is very depressing and upsetting?—I am well aware of it. It is causing a great deal of unrest.

239. *Mr. McCutchan.*] You said that if a section is forfeited all improvements are forfeited: is it not the case that the State reimburses itself to the extent of the amount of the arrears of rent and hands over any balance to the former owner of the section, just the same as a mortgagee under a deed of mortgage, when he has satisfied the mortgage, pays the balance to the mortgagor?—Yes; but the tenants get no balance at all. I have a statement from the Minister of Lands, that the tenant would be turned out without getting due notice and without getting one penny for his improvements if he failed to carry out the conditions. I would have brought the statement, but I could not find it.

240. Have you ever known any case where the Land Board have acted hashly with the tenants in the past in this district?—They have forfeited several sections.

241. Of course, the Land Board must administer the law; but is it not the case that they have exercised great leniency in the case of settlers labouring under difficulties?—I do not blame the Land Board. They have to act up to the powers vested in them.

242. Is it not the case that the Land Board stretches the Act to its farthest limit? Can you point to any instance of forfeiture except in cases where a tenant has been several years in arrears?—No, I cannot.

243. *Mr. Johnston.*] Are you aware that a modified form of the notice you have quoted is now being used?—Yes.

244. Do you not think it is very misleading to produce this, dated four years ago, when you know that another form has come into use?—It is only within the last twelve months that the other form has come in.

245. Do you consider it was straightforward and honest to produce this form, and lead the Commission to believe that it was the form now in use, when you knew in your own mind that a new form with a totally different wording is being used now?—They have only used the new form since the present Commissioner came up.

246. Do you consider it was straightforward—I want an answer, “Yes” or “No”?—I leave the Commission to take into consideration the circumstances.

247. I want an answer, “Yes” or “No”?—It may not be in that instance.

GEORGE CLIFF OETZMANN examined.

248. *The Chairman.*] What are you?—I am a settler, and president of the Hukerenui Agricultural Association, and I am representing the said association to-day. I am also authorised to give the outcome of a discussion at a public meeting convened in the Towai district to discuss these questions. I own a little over 1,000 acres—about 681 acres of freehold and the balance under occupation with right of purchase and lease in perpetuity. I have been in the district about thirteen years.

249. You might state what you desire to lay before the Commission?—I have to make the following statement:—

The constitution of Land Boards: Agreed that same be elective, but that in any case appointments should not be made without consulting the wishes of the people of the district from which the appointment is made. The land-tenures of the colony: That occupation with right of purchase and freehold are the best systems of land-tenure at present offered; that holders under the lease-in-perpetuity system should have the option of acquiring freehold upon payment of amount equal to 1 per cent. per annum of capital value of holding from date of lease, with compound interest at same rate added, and upon fulfilling the other conditions of lease. Effects of climate and land configuration on tenures and areas, &c.: No suggestion for alteration. Homestead privileges and their reinstatement: Majority of meeting was in favour of reinstatement. The working of the ballot system: Various objections were raised, but no solution of the problem was arrived at, consequently no suggestion recommended. The practice of loading lands for roads and its working: No experience of the working of same in this district, but it was decided that, in consequence of the royalties and revenue received from the flax, gum, and timber, which should go for this purpose, loading the northern lands could not be recommended. Values of leaseholds now and at date of lease: Great diversity of opinion on above subject was expressed, majority considering that their holding unimproved values had not increased since date of lease or occupation. Working of the advances to settlers system: It was most unanimously agreed that this was a very good Act very badly administered. Condition and position of occupiers under the various tenures: Agreed that holders of land under occupation with right of purchase and freehold are the most prosperous in this district, and that undue influence has been used by the Department in inducing people to take up land on the lease-in-perpetuity system, much to their disadvantage. The aggregation of large estates: Agreed that present limitations were judicious and in the interests of the people of the colony. Separate occupations under the Land for Settlements Act: The members present having had no experience of working of this Act made no recommendations. Pressure of residence conditions on Crown tenants: Agreed that Land Boards be given greater discretionary powers with regard to residence conditions, giving *bonâ fide* settlers exemption therefrom on condition that they make extra improvements. Separate recommendations: That deferred-payment system be reinstated; that Government advance amounts equal to “thirds” to be derived from rents of sections, for the purpose of making roads to sections from which said “thirds” are to be derived, as soon as said sections are selected, taking as repayment the “thirds” as they accrue.

250. Have you had any experience in regard to the bad administration of the Advances to Settlers Act?—We had various evidence put before the meeting. I have had no personal experience of the Act. One of the disadvantages of the Advances to Settlers Department is the publicity given to the business, and it seems to me that is going to be accentuated if personal evidence in regard to these transactions is to be given before the Commission.

251. Without referring to any case individually, you might say wherein lies the bad administration?—In the first place a common complaint is the length of time it takes to procure any advance. One of the greatest faults is in regard to collecting interest when overdue. In the country districts a settler or storekeeper takes over the post-office, and probably his daughter sees after all the correspondence. Any settler or landowner in the district may be in this position: if he happens to be in arrears with his interest payments, a notice is sent to this little boy or girl at the post-office and the amount that has been borrowed is stated, and the amount of interest due, and so on, and he is asked whether he knows any reason why this person who has borrowed should not be summoned for the amount of interest due. That is the kind of privacy extended to the borrowers under that system.

252. What would you suggest in the case of persons falling behind with their interest?—Any businesslike way at all of dealing with the matter: any way in which such a matter would be treated by a business firm or company. I certainly think that no loan should be advertised over the whole district, probably to the detriment of the borrower's credit. It is certainly not a good position or a businesslike position to put any person in. I maintain that all due secrecy should be observed.

253. *Mr. Matheson.*] What royalties are being got out of the district for flax, gum, and timber?—It is hard to state the amount, but certainly royalties are being taken.

254. Does the Crown take them all?—Yes.

255. Is there no refund to the district?—Not at present. It has been spoken of, but I do not think there has been any refund so far.

256. Do not the local body get anything for gum licenses?—They may gather the gum licenses.

257. Do you suggest that a refund of timber royalty should be given for road-making?—Certainly half, if not the whole of it.

258. *Mr. McCutchan.*] With reference to undue pressure being placed on land selectors to force them to take up lease in perpetuity, what instances can you give?—In my district it has become notorious. A little time ago a settler had an occupation-with-right-of-purchase lease under a former Act, which gave certain facilities for obtaining the freehold at a given period. At the end of that given period notification came to the settler in question that either he would have to buy the land outright or be subject to revaluation, or, as an alternative, he was told he could turn it into lease in perpetuity at 4 per cent., with 1 per cent. capitalised to pay off the rents which should accrue. After many of the settlers has raised the money to buy the land the Solicitor-General reversed the opinion expressed by the Commissioner, and these settlers irrevocably lost their chance to obtain the freehold, and they had to become lease-in-perpetuity tenants.

259. Can you give any instance since 1892 of any such pressure being brought to bear on tenants to make them become lease-in-perpetuity holders?—I am quoting the position of the present tenants. The present legislation seems to have existed for the last thirteen years. What I am stating has happened long since 1892.

260. Under the Land Act of 1892 there is the right of purchase in ten years?—I think so.

261. That right continues until the termination of the twenty-fifth year: how can any such force be brought to bear on the tenants under these circumstances?—I never suggested it could be. I say that the tenants whose leases have been converted into lease in perpetuity should have the right to purchase the freehold again.

262. Is not a Postmaster a confidential servant of the Crown?—He is supposed to be.

263. Then, does not your complaint lie against the Postmaster and not against the Crown?—It all depends on the kind of Postmaster one has in the country. A country Postmaster is not in the same position as a town Postmaster. Probably the postal official is the settler's daughter, without any further qualification than that her father owns the store.

264. *Mr. Hall.*] Is it not a fact that the wealthy and populous districts in the vicinity of cities derived great advantages and benefits in the early days of settlement?—I think so.

265. Seeing that the country in the North of Auckland is very thinly populated, and that there are large areas held by the Crown and Natives, which pay no rates, and in consideration of the fact that the revenue derived from gum and timber is a very large one—that is, the value of these exports is large—is it not reasonable that there should be special consideration given to this district in the opening-up of roads?—Yes, the Government should have done a great deal more than they have done. I would like to say something in regard to the restrictions imposed in connection with the taking-up of land adjoining the holding already held by a settler. It seems to me very hard that settlers who took up land many years ago, and who have reared a family on it, should have to live away from their own home if they are to fulfill the conditions laid down by the Act. It breaks up families, and prevents the settlement of the land. I could mention an instance in point, in which a settler after securing an adjoining section had to ballot for it again, owing to the office contending that some slight non-compliance with the regulations had taken place. I think that more discretionary power should be given to the Land Board in dealing with such matters.

WILLIAM ROBERT HUTCHISON examined.

266. *The Chairman.*] What are you?—I am a fruit-grower at Hukerenui, and I have been engaged in that occupation for sixteen years. The extent of my cultivation is 14 acres.

267. What fruit do you grow?—Stone fruit and apples. I do not touch the citrus family. My fruit is consumed in Wellington and in other towns in the south.

268. Are you troubled with the codlin-moth and other pests?—I have been, but owing to following the instructions given by the Government Pomologist, I have overcome that difficulty.

269. Is it a profitable industry?—It has not been a profit up to the present, as I have been troubled with pests, and have had a good many difficulties. In the first place, I was a village settler, and the tenancy was unsatisfactory. The late Commissioner of Crown Lands gave me an assurance that my forfeiture would not be executed. Forfeiture was threatened because of being back in my rent. I may say I have a family to rear.

270. How many acres have you?—50 acres.

271. What is your rent?—£3 14s. per annum. My orchard is 20 chains from the Waiotu Railway-station.

272. *Mr. Anstey.*] You say your fruit goes to Wellington?—Not all; a considerable portion of it goes to Timaru.

273. Have you any organization in connection with the sale of your fruit?—My agent in Timaru is a private dealer.

274. Have you a good market for all the fruit you can grow?—I can get a good market for much more than I can grow.

275. How does the fruit work in connection with the rest of your farm?—My farm is absolutely useless except the 14 acres.

276. Could you turn the rest of your land to advantage in connection with fruit-growing?—The rest of the land is not suitable for fruit-growing.

277. *Mr. McLennan.*] Have you had any dealings with the Advances to Settlers Office?—Yes.

278. Were they satisfactory?—I desired to extend my orchard, and I thought if I could borrow £50 from the Department it would be of great service to me, and that I would be able to go in for improved methods of fruit-growing, as advised by the Government expert. My improvements were valued at about £300, but the Department would not grant me the amount I desired. I appealed to the Minister, and reduced the amount I asked for to £25, but the Department refused to advance me even that sum. Therefore, I lost my fee, and am not able to adopt the methods advised by the Government expert. Since that time the valuation of my section has been increased.

279. *Mr. Paul.*] Is this district specially adapted for fruit-growing?—Yes.

280. Do you think if settlers were helped in some way that it would be a profitable industry?—Yes.

281. *Mr. Forbes.*] It takes good and careful management to grow fruit?—Yes; but if settlers follow the advice given by the Government expert there can be no failure.

282. Is there any one else in this district following this industry as you are doing?—I do not think any one has gone into it on commercial lines as I have done.

283. *Mr. Hall.*] Do you find both the soil and the climate suitable for fruit-growing?—Only the 14 acres is suitable.

284. Is there an abundance of land in the North of Auckland suitable for fruit-growing?—Yes, there is a large area, and the climate is favourable.

285. Sufficient fruit could be grown in the North of Auckland to supply the rest of the colony if there were better means of transit?—There is not the slightest doubt this North of Auckland district is suitable for fruit-growing.

286. *Mr. Matheson.*] Do you not think the real reason why an advance was refused was because you were in arrear with your rent?—That question was brought up, and I stated the facts fully to the authorities.

287. *Mr. Johnston.*] Do you find that fruit-growing pays?—It is paying me now. My trees are coming into maturity.

288. Is your land pipeclay land?—The surplus of my holding is pipeclay land, but the 14 acres is river flat.

289. Is the manuka land suitable for vine-growing or fruit-growing?—Yes. Our tea-tree land has proved a success. That may be seen at Wairangi, near Mercer. I have made a success of peach-growing.

290. Do you know if the Austrians have made a success of vine-growing?—Yes.

291. Have they taken up pipeclay land?—I do not know.

292. How long does it take to bring an orchard into bearing?—I should say about six years for apples, and a shorter time for peaches.

293. *Mr. McCardle.*] Had you any previous experience in fruit-growing?—No.

294. Do you propagate your own trees?—Yes.

295. Are you using the blight-proof stock for your apples?—Yes.

296. Do you not think this stiff clay land would be suitable for pears?—I have had very little experience of the pear family.

JOHN CHARLES JOHNSON examined.

297. *The Chairman.*] What are you?—I am a settler and living at Whananaki, and I have been there for twenty years. I hold 900 acres—400 acres freehold, and 400 acres occupation with the right of purchase, and 100 acres lease in perpetuity.

298. Which tenure do you prefer?—I may say, to begin with, that I appear here partly in my individual capacity and also as representing the Kaurihohore and the Opuawhanga branches of the Farmers' Union.

299. Is there any special matter you would like to bring before the Commission?—I would like to refer briefly to several of the questions contained in the order of reference of the Commission. First, in respect to the constitution of the Land Boards. Personally—and in this matter I also speak on behalf of the two branches of the Farmers' Union I have mentioned—I think Land Boards should be elective, because the power they possess appears to be too great to place in the hands of any Board appointed by the Government of the day. In regard to land-tenures, I speak individually, and also as representing the two branches of the Farmers' Union, we favour

the freehold. The lease in perpetuity has undoubtedly been popular, but it has been popular because a class of men were enabled to go on land under it who had no other option whatever. I may point out, however, that if a lease-in-perpetuity holder is sixty days behind with his rent, although his improvements may amount to £500 on a comparatively small section, he receives a notice that he has ceased to be a tenant of the Crown. I am not blaming the Land Board, but I think the Act should be altered, and that the improvements should stand against arrears. As regards the freehold, I think it is necessary in the north. I am not speaking from a southern point of view, where the land has undergone a certain amount of improvement, and I can quite believe the leasehold being a satisfactory tenancy there; but in this part of the colony and in the back blocks I think the freehold tenure should be given. I think that our land system is too complicated. Attempts have been made to please everybody, and the result has not proved satisfactory. I think that lease-in-perpetuity holders should be allowed to convert their leases on paying the extra 1 per cent., and I think they will be quite willing to pay the 5 per cent. from the time they took up the land, and thus be enabled to obtain the freehold. I would like to say that, in my opinion, the residence conditions have been unduly enforced in some cases. For instance, the residence clause presses very hardly on a resident in the town, who takes up a piece of land with the view of retiring on it when his business career is finished. I think that if double improvements were insisted on in such cases the residence clause should be done away with. With reference to cropping restrictions, I think it is hardly right to allow an officer, who probably knows less about the land than the settler, to determine whether certain restrictions should be enforced or not. I think that experience on the Continent of Europe has shown that land will carry crops for a very long time without the land being injured or exhausted if the land is properly manured. With respect to the homestead system, that has been very successful in this district, but, from my experience during the last twenty years, that has been mainly owing to the fact that much of the land taken up under that system had a considerable quantity of kauri timber on it. As to the working of the ballot system, theoretically it is perfect, but in practice it works out very differently. I know of people who have tramped about the colony month after month, and who have been unable to get a section owing to their non-success at the ballot. I think also that care should be taken that the man who secures a section under the ballot should absolutely reside on it. In reference to the lease in perpetuity, I have spoken to a great many settlers who hold land under that tenure, and they are perfectly willing to pay the extra 1 per cent. in order to convert their lease. I would like to say this, further, that down South there may be such a thing as the unearned increment, but in the North it does not exist. In the South, say, Cheviot, the land was roaded and many improvements were made by the Government, and certainly the Government have a claim on the tenants who took up that land; but in the back blocks we do not know anything about the unearned increment.

300. Under what franchise would you elect members of the Land Board?—The local bodies should certainly have some representation on the Board.

301. You would not elect the members on the parliamentary franchise?—No.

302. What would you substitute in place of the ballot?—I feel almost inclined at times to go back to the old system, because limitation of area will prevent capitalists acquiring unduly large areas of land.

303. You would submit the land to auction?—I would be inclined to do so, but I do not think it will be carried out for a very long time; but I should prefer it.

304. *Mr. Anstey.*] You have said that a tenant who is sixty days behind in his rent is liable to have his section forfeited?—Yes, but I have known of a longer period being allowed.

305. Have you known of a section being forfeited where a man has been two years behind?—Yes, I can mention a case at Whananaki, Block IX., Opuawhanga. In that case, although very considerable improvements have been effected, the tenant was three years in arrear, and he received notice that he had ceased to be a tenant. He was ill at one period of the three years.

306. Do you think that special provisions should be made for townspeople in connection with the ballot when there are numbers of country people who are anxious to get on the land?—I do not see why a man in the town should not have his rights as well as everybody else.

307. You said the lease-in-perpetuity settler should be allowed to take up the freehold on the payment of the difference between 4 and 5 per cent.: what would you propose in the case of a lease-in-perpetuity settler who is now paying 5 per cent.? Do you propose that he should be allowed to acquire his section at the same rate?—Yes, on the 5 per cent.

308. That is to say, you would give such settlers a much more valuable tenure than you would give to others who are only paying 4 per cent.?—Yes, the same as under occupation with right of purchase.

309. *Mr. Paul.*] Did the fact of the railway going through this district increase the value of land here at all?—Decidedly.

310. Are there any sections at Hukerenui that have increased very much in value?—I fancy they have increased.

311. If there was a case where the original cost of the land was 12s. 6d. an acre, and at the present time the value of that land is £25 an acre, would there be unearned increment in that case?—If there was such a case that might be so. I am speaking of farm land.

312. Is the district prosperous where you are residing?—In a way, it is depending on the timber to a certain extent.

313. Is the price of land increasing?—Yes.

314. Is that a good sign?—Yes; but it has risen in value owing to the efforts and energies of the settlers, and the timber industry.

315. *Mr. Forbes.*] We have heard a good deal about the homestead system: do you believe in it?—I think the success of that system was owing to the existence of the timber on the land when the land was taken up.

316. Do you think the homestead system would be a success on the poor land about here?—Not on the poor white pipeclay and gum land. My own idea is that viticulture is going to solve the difficulty. I think the Austrians will make a success of vine-growing, and that industry will subsequently develop and assist in bringing about prosperous settlement.

317. *Mr. Matheson.*] How are you off for roads?—I have a track to my place.

318. Do you think the present system of Government grants for roads is satisfactory?—I think there can be no satisfactory arrangement until the Government takes over the main roads.

319. Do you not think it would be better, and that it would give the local bodies a more assured finance if the Government paid rates on Crown and Native land, and gave a pound-for-pound subsidy for money raised on rates?—I think that will be a good thing.

320. You have no objection to dual control—that is, by the Government and the local body—in the same district?—No, not if it is carried out in a proper spirit.

321. *Mr. Johnston.*] How much of your land is in grass?—400 acres.

322. It has taken twenty years to put that area under grass?—Yes, and I have been very lucky to get that done.

323. After burning or clearing, does the manuka or fern come again on your land?—Yes; that is where the good of the danthonia comes in. You can burn off the tea-tree or fern and the danthonia springs up again.

324. *Mr. McCutchan.*] In reference to the residence conditions, you said they are a hardship in certain cases; for instance, in the case of the young members of a family growing up, and wishing to take up land: you are aware that there is an exemption of paying rates for four years?—Yes, but I maintain the residence conditions tend to divide a family.

325. Seeing that a four years' exemption is allowed, is it not a fact that in the case of an energetic young settler who takes up land it becomes almost absolutely essential to his success that he should live on his section?—Surely we should encourage home life as much as possible, and I contend that the residence conditions in certain cases act prejudicially to good settlement.

326. With reference to the threatened forfeiture of the lease you have mentioned, is it not the case that when a loan is granted by the Advances to Settlers Department the Board has no right to recover the rent after the rent has been two years in arrear?—I do not know.

327. Might not that be the reason for the action of the Land Board?—No; the land is not mortgaged in this case.

328. In connection with residence, you consider it a hardship where there is a family that has taken up land that the father is not allowed to take up another section unless the land is contiguous to his present holding?—Yes, I do.

329. Is it not the case that he is enabled to do so if he has held his lease for three years?—I do not think so.

330. Under the Land Act of 1892, if you have a leasehold section, you can take up another one that is not contiguous?—I do not see that that applies in the case I have referred to.

331. Is it not the fact that the Government does not usually construct a railway until it sees that the amount of the products in a district is sufficient to pay the average amount earned by the railways, as that is about £3 10s. per cent.? And if a railway is constructed, and the Government knows that that state of things exists, is it not the residents in that particular locality who have to provide the money for the payment of that line?—Yes.

332. And if there is any increase in the value of the land, are the residents not entitled to the increased value?—Yes, most undoubtedly.

333. *Mr. Anstey.*] You gave us to understand that in regard to a block of land the loading for roads had not been spent: where is that road-line you refer to?—From Whananaki to Matapori and Tutukaka.

334. Do you know the amount at which it was loaded?—From 4s., I think, down to 2s., but I am not sure of the figures.

335. Are you sure none of the loading has been spent?—I say no sum has been spent equivalent to the amount of loading.

336. *Mr. Johnston.*] Do you consider the gum-digging advantageous to the district?—I think from a pounds-shillings-and-pence point of view it is advantageous, but from a settlement point of view I think it is an evil. However, I do not see how many of us would have existed without it.

337. Do you think the areas of land taken up have been too small to make a living?—Well, the nature of the ground has been against it.

338. Have you had any experience of the South Island or the southern part of this Island?—Yes, in the Waikato and Taranaki. I know nothing of the South Island personally, except through hearing from friends.

339. I suppose you know nothing of the working of the Land for Settlements Act?—No.

JAMES MACKENZIE examined.

340. *The Chairman.*] What are you?—I am a Commissioner of Crown Lands for the Auckland Land District.

341. If anything has been incorrectly stated here to-day, I would like you to make one or two explanations, not with a view of showing that any of the witnesses have said anything wilfully wrong, but it is possible they may be under a slight misapprehension?—Yes; the first thing is with regard to the village-settlement sections, and the change of tenure into lease in perpetuity. The practice of the Department has been this: a number of these settlers got into arrears with their rent, some of them running to several years. They have a thirty-years lease, and it seemed hopeless for them to pay up their arrears. The Land Board, as a rule, if the men are deserving, will not turn them off their sections, but they say to these people, "We will capitalise what is in arrear, and instead of a thirty-years lease we will give you a 999-years lease, for which you will pay a rental of only 4 per cent. on the capital value. If you pay promptly you will only have to pay

3½ per cent." I cannot conceive, myself, from an ordinary business point of view, that there is any hardship at all in that. The man is in a corner, and we increase the length of his tenure and reduce his rental. Would an ordinary business-man treat a tenant or customer as liberally by saying "You are now £50 in arrear, but I am not going to press you for this £50; you can pay 4 per cent. upon it as long as you like. If you pay this promptly I will let you off with 3½ per cent." Then, with regard to the residence clauses, it is just this: that the Board has ample power to dispense with residence on sufficient cause being shown, and I know of no case in my own experience where on good reason being shown, whether on account of sickness, bad roads, want of schools, and so on, the Board has refused to relax the residence conditions. I do not say that we will dispense with it altogether. We say we will give you a year off, and see how things are looking in a year's time. If we dispensed with residence for ever, and a man disposed of his holding, the incoming tenant could claim that he also need not reside. With regard to the last witness, he said it was rather a hard thing that the sons of settlers who wanted to get on the land should be forced to reside at once. Now, I have never known this forced in my experience, if application is made in a *bonâ fide* manner to the Board. To begin with, if they take up bush land they have four years first, and the Act allows young men and women living with their parents up to eight years, and even more than this is granted. The privileges may be abused sometimes, but if it is a genuine case it is all right. Then there seems to be a misapprehension as to whether a man who has taken 100 or 200 acres of land can extend his holding if he afterwards finds he can do with more. If a man has complied with the conditions for three years he can go and take up a section a hundred miles away in any part of the colony, so long as the total area he holds does not exceed 2,000 acres of second-class land or 640 acres of first-class land. Immediately he has shown his *bona fides* by complying with the conditions of the Act for three years this power comes in. I do not think that is quite understood. Then, another matter which I have been asked about on several occasions, and one or two gentlemen have asked me about it to-day. If there is a piece of land alongside a man's section the Board can give him the option of taking that land up, restricted only by the limitations of the Act, without any competition at all. Then, another witness—I forget his name—spoke about 300 acres of land he had leased in the bush here. That 300 acres was part of a large forest reserve. It is the Puhipuhi Forest, and is still under forest regulations, and unless the matter is placed before Parliament we cannot remove the reservation. The only thing we can do, when a man gets a piece of land like that, is to give it to him without competition on a year-to-year lease. When the reservation is removed from that land—which I intend to do the moment the forest is gone, if not before—that man can apply to the Board, and if they find him a genuine settler and so wish it, they can give him a piece to hold on the same tenure as he is holding his adjoining land. Those are a few of the grievances brought forward which it struck me really do not exist. The policy of the Board is to if possible retain and foster every genuine settler on the land, and they can use their discretionary power in that direction; but if they find he is a humbug and not genuine, they will use the same power to get rid of him as quickly as possible. Then, with regard to this question of arrears, it is perfectly ridiculous to think of turning off a man if he owes a few years' rent if he has, say, £300, or anything like it, in improvements. Under present conditions, we exhaust every possible means we know of to keep that man on the land, but the State, like other business people, must get its money in as soon as it can. Our policy is when once a man is on the land to keep him there, and not to turn him off if he is genuine. If he is not genuine he has got to go, and that with as little delay as possible.

JOHN ROBERT LAMBERT examined.

342. *The Chairman.*] What are you?—I am a farmer, farming 100 acres of freehold. I have been in this district twenty years, and am now chairman of the Towai Branch of the Farmers' Union. Before the district was thrown open for settlement it was through my agitation that the far-famed Ramarama Valley was opened.

343. You have heard the evidence given by Mr. Gray and other gentlemen?—Yes. I can save a lot of your time by indorsing every word that has fallen from Mr. Johnson.

344. Is there any particular point you wish to bring before the Commission?—When I read in the *Weekly News* that a tinker gave evidence in Christchurch, that every man who wanted to get the freehold should have his name handed down as an enemy to his country, I did feel hurt. I was indignant that a man in a town should say that we who have cut out our homes in the solid bush should not get our freehold. Why, our homes are not keeping us yet. We are still keeping them, and if it were not for the gum there could be no settlement here.

345. *Mr. Paul.*] In expressing your opinion you are confining yourself I suppose to this northern part of the colony?—Yes. I know nothing whatever about south of Auckland.

346. *Mr. Forbes.*] Do you not think any one, whether he may live in the country or in a town, has a right to give evidence on the land question?—I do not. It would surely be presumptuous of me to attempt to dictate to the Mayor of Auckland, for instance, as to the way he should preside in the Mayoral chair, and I say that a tinker knows no more about felling bush and farming the land than the man in the moon does.

347. Does not a tinker have to live on the land?—He lives on my energy and that of my neighbour.

348. He must have a house to live in?—And he would take good care to get the freehold of it if he could.

349. *Mr. Matheson.*] Do you consider the town labourer has a share in the Crown lands of the colony?—Only to this extent, that he has the same opportunity as I have to go and select a piece of land and try and carve out a home the same as I have done.

350. *Mr. Johnston.*] Have you had any experience of lands outside this district?—I had twenty years' experience in the Kaipara.

351. Is the land about here of poor quality?—Yes, most of it would hardly keep a mouse.

352. Why did you take up land that is so terribly bad?—Well, I had no capital at all, but I took it up and I am still struggling on.

353. Where is this far-famed Ramarama Block?—It is six miles from here by road. You must have passed it on your way here.

354. What is the area of it?—About fifteen or sixteen miles long.

355. How broad?—Different widths.

356. How is it far famed?—It is famed for what it produces. Recently, when the Premier of the colony was up there he said he had never seen such fine potatoes as our land could produce.

CHRISTOPHER THOMAS MITCHELL examined.

357. *The Chairman.*] What are you?—I am a settler. I hold 450 acres in the Puhipuhi Forest on a year-to-year lease, for which I pay £6 a year rent.

358. Have you any particular point you wish to bring before the Commission?—I would like to say that some years ago this Puhipuhi Forest land was thrown open for selection, and one man got about 1,000 acres for £10 a year. Many others who were living in the bush at the same time wanted to get a bit of land to live upon and run a few cows, because with this and a little gum-digging they could support their wives and families. But when we applied for the land we were told that we would have to pay twice as much per acre as the man who got the 1,000 acres. I have brought with me samples of the classes of land I have referred to. The first is near pipeclay, as you will see, and for that I have to pay at the rate of £2 per 100 acres. The other you will see is a light arable soil, and it is the kind of soil that was sown down by the Government in grass some years ago when the fire went through the forest. That land the man I speak of gets for £1 per 100 acres. I have applied to the Board for some redress, but can get no information. I have been appointed by the executive of the Farmers' Union to give evidence. I am not in favour of the so-called freehold that Mr. Massey wants to give the people, because that, in a few years' time, will make us all leaseholders again. I am opposed to the people paying any rent whatever to the Government for the land. I believe there is a natural freehold which should go to the man who will use it, because the land, according to this book we have been sworn upon, was created for every man, woman, and child born into the world, and therefore the land belongs to all. I, therefore, think the Government have no right to make people pay rent for what really belongs to them, and I think that the only taxation that should be taken from the land is what comes from the unearned increment. The freehold Mr. Massey wishes to give will only lead to borrowing, because as soon as a man gets the freehold he will do all he can to enhance the value of his land, and it is not the back-blockers who get the benefit from borrowed money, but generally the men in the towns.

FREDERICK WYATT examined.

359. *The Chairman.*] What are you?—I am a farmer, holding 93 acres at Towai. I have been farming this land fourteen months. It is practically freehold, and I am just waiting for my title. I have been thirty-four years in the country.

360. Did you buy this land second hand?—I bought it from somebody else. Mr. Gray and other witnesses who spoke in the same strain have very well expressed my views. I only wish to say a word or two about an old grievance of ten years' standing, as it may possibly be of some use to other people who are now taking up land. It is regarding the Advances to Settlers Office. I applied for an advance of about £100 ten years ago. I was then the holder of 117 acres at Wareora. The answer I got was, "Your application for loan is declined." Thinking I had applied for too large a sum, I made out the application for £50 and enclosed half a guinea. Again I got the answer, "Your application is declined." I wrote to the Minister of Lands, Mr. John McKenzie, who investigated the matter for me, and this is his reply. [Letter read by the Chairman to the effect that the land was too poor to advance money upon.] I then applied to the Land Board, sending a copy of this letter, thinking that the land ought to be reduced in value, and I received the following reply dated the 2nd August, 1898, saying that a reduction could not be made. [Letter read by the Chairman.] In 1897 I received a letter from Mr. Barron, the Assistant Surveyor-General, recommending me to surrender the lease. [Letter read by the Chairman.] Although I was agreeable to pay the full price I could not get an advance. I had no objection to the rent I was paying, but without an advance I could not get along. I have a document which advises me to surrender the lease and accept £130 for improvements, but as I valued my improvements at more than that I objected to it. I explained that there was a prospective value on account of the coal. I have got rid of the section now, but I had to sell for as many hundreds as I should have got thousands. I had no choice. There is one other subject I should like to touch upon, and that is manual education. At present the instruction is given only in the towns, and if a man sends his boys to a town they get town tastes and do not care about coming back to the country, and where, then, are the parents in their old age? Why should the Government not establish a school in the country and bring the "townies" out and give them a taste of the land? Unfortunately, the tendency now is to centralise everything.

WHANGAREI, SATURDAY, 20TH MAY, 1905.

JAMES MACKENZIE further examined.

1. *The Chairman.*] Will you kindly put in the document to show the form of circular which is sent out to tenants in arrears?—Probably prior to this one going out some stiffer notice may have preceded it. This is sent out with a view to giving the settlers an opportunity to say how they would pay their rent to suit their circumstances as much as possible, and asking them to

state what their circumstances were, and so forth. Of course, I do not mean to say it stops at this. If this, what I might call mild circular, is not accepted in the spirit in which it is sent, then we have, as a matter of business, to send another somewhat harder. The notice is as follows:—

“*Re Arrears of Rent.*”

“Referring to my previous notices sent you for non-payment of rent amounting to £
, being half-yearly payments, I have to state that at present I do not intend to bring the matter before the Land Board, but I should be glad to know what proposals you have to make, say, within one month from this date; and also a statement as to your circumstances, as I am most anxious to meet you in any way that is reasonable; also, if you cannot pay the whole amount, perhaps you could arrange to pay at least a portion of it. If, however, the rents remain unpaid, of course, I shall be reluctantly compelled to take further steps for the recovery of same, although I trust that this course will not be necessary in your case.”

2. *Mr. Anstey.*] Do you send out the ordinary demand for rent when due?—Yes.

3. And then this notice follows, at what interval after the ordinary demand has been made?—Perhaps three months; I cannot exactly say. Of course, it will depend a good deal on the nature of the case. If we find a man is a good deal behind, and takes no notice of the demands for rent, the Receiver would probably send it out one month afterwards. In all other notices the pen is put through the reference to forfeiture for rent in arrears. The principle we go on now is that we do not forfeit for arrears unless in very extreme cases and there are additional causes for it. If a man will not pay, say, arrears of £5 or £10, and has big improvements, then we would probably sue him, although this course has not had to be followed here.

4. *Mr. Johnston.*] That is the document that is being sent out instead of the one produced in evidence by Mr. Gray yesterday?—Yes. Speaking generally, a stiffer one may have preceded it, and might also have to follow.

MATTHEW WATSON ARMSTRONG examined.

5. *The Chairman.*] What are you?—I am a settler, and a member of the Auckland Land Board. I have been forty-three years in the colony. I have had three different farms in my time. My first farm was a sandstone farm of 300 acres in the Kaipara; my second was a limestone farm, and I have now a farm of 47 acres of volcanic land near this township.

6. How long have you been a member of the Land Board?—Not quite two years.

7. Under what tenure do you hold your 47 acres?—Freehold, and my former farms were all freehold. I bought them from the Natives.

8. What tenure do you consider best to advance both the settler and the country?—I think the three present systems of tenure amply suffice for the needs of all genuine settlers.

9. Of course, that gives everybody whichever tenure he prefers?—Yes.

10. I suppose the country round here is settled mostly on the freehold tenure?—Yes; although we have a great lot of Crown tenants between here and Wairoa, and doing well too.

11. We have been told there has been a great deal of successful settlement under the homestead system: is that within your observations?—Yes, in some instances. But I consider the homestead system is scarcely worth reintroducing without making the holdings larger. I think 60 acres are no use to a homestead settler. If you make the area something like 300 or 400 acres, then I consider the homestead system is good.

12. I suppose you would only apply this homestead system to the inferior land: would you apply it to land which would go off at a price?—No; to the inferior land; and I should certainly put some condition as to the improvements that had to be done, say, in five years, and then I would give them a Crown grant.

13. We have been told, and it has come under our observation, that there is a great deal of Maori land, and land which has been purchased and not improved in the North, and that these two are great obstacles to the district. I suppose that is within your knowledge as well?—Yes, there is no doubt that the Maori lands impede the progress of settlement. We are improving our land in the vicinity, and we are improving their land at the same time, and they are letting noxious weeds grow on it, and we have just to put up with the evil.

14. Do you think there is any plan by which this trouble could be amended, in the way of bringing part of the Native land into profitable use?—I think the Government want to allow the Natives so-much land to live on, and then they should take the rest and either lease or sell it for them. The large area of good land between here and Hokianga and Wairoa locked up by the Natives is a great drawback to settlement all along the roads. The Natives do not pay any rates, and we have to keep all the roads in repair.

15. Have you any knowledge of the Native mind on the subject? Do you think they would be willing to agree to such a proposition as you are now making?—I consider the Natives are quite capable of minding their own affairs, the same as Europeans. They know all about land and the price of land, and they are becoming very cute.

16. But your suggestion is that the Government should, as it were, intervene between them and the purchasers or lessees of their land?—Yes, I should say so.

17. Do you think they would be likely to concur in that?—I believe they would.

18. With regard to freehold land belonging to Europeans which are apparently not being used, do you think there should be any means adopted to bring about a change in their condition?—We have not much of that in this part of the country.

19. You have not many absentee proprietors?—There are a few, but not very many. We have no great estates here, nor yet millionaires, and we do not want them.

20. I do not suppose there is any aggregation of estates in this part of the world?—No.

21. I believe the Bickerstaffe Estate is the only one that has been bought here under the Land for Settlements Act?—Yes, north of Auckland.

22. *Mr. Paul.*] In several cases the experience of the men appointed to the Land Board has been questioned. Do you think, speaking generally, that the men who compose the Land Board have had ample experience to enable them to administer the Land Act?—I think the present Land Board is quite capable of managing the affairs of the Board as well as any previous Board, and rather better. They are practical men, I should say. We are all old settlers, and being on the land these last forty years we ought to know something about land.

23. Are they representative of the different districts?—Yes.

24. Do you think the necessity for the homestead system exists to-day the same as it did in previous times when there were no conveniences in the north? You see, the face of the country has been so changed of late years that there may not be the necessity to give away the land to get it settled?—I think it is far better to give it away than to let it stand as it is. There is any amount of land in this country that would have no value whatever if it was not for the gum in it.

25. Do you think that land of no value whatever would be taken up if given away?—You see, that adjoining perhaps 500 or 600 acres of poor land there may be a man with a bit of good land, and he would certainly take up the poor land for a run. I am beginning to think that when this danthonia gets into it it will be better. I think the danthonia will kill the tea-tree.

26. Do you think this danthonia is going to be the salvation of the north?—Not exactly the salvation, but I think it will go to help the land a good lot.

27. Is the district progressing?—Yes. The settlers are all flourishing around this country; there are no poor people.

28. Is the value of leasehold land increasing?—Yes, but not very much.

29. Are there many absentee landholders in the district?—Very few indeed.

30. Just between Whangarei and Kauri there is a large tract of country in a very bad state, a good deal of it being overrun with gorse and other rubbish. I have been told that is freehold land: is that so?—Of course, the land where the gorse is belonged to the Kamo Coal Company, but now it has come back into private hands and they are clearing it. It is good land, and will soon be cleared and brought under.

31. Does that apply to the whole of that land?—It is more or less coal country there.

32. Surely that was not all held in the hands of a coal company. The area I speak of comprises a great tract of country?—Some of it is in private hands, but it is owned by residents in the district.

33. Apparently they are not doing anything with it?—The fact of the matter is it has been cleared, and the grass has run out and the tea-tree has come up again. Some of it is only poor land. Of course, where the gorse is at Kamo is volcanic land, but between Kamo and Kauri there is some very poor land.

34. Do you think it is in the best interests of the district that land should be held in that state?—No.

35. You are acquainted with the residence conditions under which Crown tenants labour: is there anything in them which could be amended or improved?—I think the residence clauses are too stringent altogether in many instances.

36. In what way would you amend them?—I have had several letters from Crown tenants suffering from this cause. I will quote you a paragraph from one: "I have two children going to school, and cannot possibly condemn them to ignorance, as there is no school within ten miles of the section, and absolutely no road; so that if the Board is determined to forfeit my section, I consider it very hard on a man born and bred in the district to be condemned to live ten years on 38 acres of gum-land. It is really a terrible sentence."

37. In dealing with these cases do not the Board use their discretion and help such a man in every possible way?—Of course, we have to. We have not forfeited any land scarcely. We give genuine settlers every possible chance.

38. You exempt residence for a great number of years?—Not for a great number of years. We exempt for six or twelve months, and then they are supposed to reside on the land.

39. But on bush lands is there not an exemption of residence, in the first place, of something like four years?—No, not that I am aware of.

40. How long is the exemption?—We generally consider about six or twelve months.

41. If a man had a family would the Board compel him to take that family into the back country at the end of twelve months?—The man or his sons could go in until he got a comfortable home for his family.

42. What were the special circumstances in the case you refer to? Were the Board intending to enforce what the settler considered harsh conditions?—They sent out printed forms telling him the land would very likely be forfeited if he did not do so-and-so, and it frightens a settler. I think it ought to be altered. A settler thinks the land is going to be forfeited, and we have not done such a thing.

43. Do you think the Board should have discretionary power to say what residence should take place?—By all means. I consider if a man does his improvements and brings the land into grass he is doing good to the country even if he does not reside on it.

44. Have the Board power under any circumstances to set aside the residence conditions for four years?—I believe they have. In the case of two brothers taking up a section of land in partnership I think it would be suicidal to force one of them to go and live on it. He has to go out and earn money to buy wire and cattle. We ought to waive the conditions.

45. As a Board, do you do so?—Yes, to a certain extent.

46. *Mr. Anstey.*] Is that form threatening forfeiture being sent out now?—I think we have stopped it.

47. If it is not sent out now why do you complain of it?—I am not complaining now. It was six months ago when I got this letter.

48. Is it not a fact that you, as a Board, have full power to deal with the matter if you choose to do so?—We cannot break the Act.

49. Was the section of the man who wrote to you forfeited?—No.

50. You had power to modify the restrictions in his case, and you have done so?—Yes; we allowed him to go on just the same.

51. What particular complaint has he got, then?—We have not told him that. We have given him six or twelve months' extension. He is supposed to reside on the section some time.

52. Has any undue pressure been exercised by the Board in regard to these restrictions?—Not to my knowledge.

53. You said there were very few absentees in the district. Can you explain how it is that, according to the Year-book, in many road districts in your county there are an enormously larger number of ratepayers than there are dwellers? For instance, at Parua Bay there are two hundred ratepayers and only fifty dwellers, and at Waikiekie there are ninety-two ratepayers and twenty-seven dwellers: that seems to show there must be a great number of absentees?—Parua Bay was settled under the Homestead Act; but I cannot account for what you state. There is some very poor land in some parts of Parua that is not worth paying rates on.

54. According to the Year-book, there are four times as many ratepayers as there are dwellers: does not that prove that at least three-quarters of the landowners are absentees?—Yes. I did not think there was that amount.

55. Do you think it is in the best interests of the country that there should be such a lot of land held by absentees?—Well, what can be done with the land?

56. We are here to try and find out, and I want to know if you can suggest anything to prevent this. Do you think we should impose on freeholders the same residential conditions as are imposed on leaseholders?—No.

57. Do you think it would be wise to impose any restriction by law to prevent so much land being held by absentees?—No. If the land is any good the owners would be doing something on it. These sections at Parua Bay are just swamps and tea-tree land and broken gullies.

58. Then, the land is no good at all?—Not at the present time. We would not have it to pay rates on it.

59. Do you think it is necessary to give this land away under the homestead system?—Yes, I do. For instance, at Parua Bay there are settlers here and there who would very soon take up that back country if they could get it for fencing it in.

60. Do you not think a wiser way would be to make some conveniences to it—say, roads and drainage if necessary, and load the land with the price of that work—rather than to put people there without any conveniences?—In some instances it would be better.

61. You say there are a large number of leaseholders successfully settled on land in this neighbourhood: do you think it is absolutely necessary that these people should be given the freehold in order to profitably occupy their sections?—Decidedly not.

62. Is there anything in the leasehold to prevent them occupying the land profitably and well?—Nothing that I am aware of.

63. You think that in every case the leasehold should be conserved to the lessee with full interest in all improvements he makes himself?—I do.

64. *Mr. Forbes.*] If the homestead system is reintroduced with larger areas than in the past would it not work in this way: the intention is to apply it to men with very little capital, and if you give a poor man a fairly large area of this land, which needs a great deal of expenditure to bring it into anything like a reproductive state, is it not only courting disaster for him?—Some parts of it possibly may be good. There may be 20 or 30 acres of bush on it.

65. This homestead system is advocated in order to settle the poor lands of the North of Auckland and to get poor men on to them. Do you not think that it is men with capital who are needed for this land rather than poor men?—You will get no men with capital to touch it. They have more sense.

66. Then, do you not think it is a snare and delusion to put poor men on such land?—A man would go out in the morning and make 5s. or 6s. at gum-digging. Then, again, this land will grow good fruit-trees.

67. Is the lease-in-perpetuity system at all favoured in the north?—No, they are not educated up to it yet. I believe it to be good.

68. Do you not think that under a lease which enables a man to use all his money for improvements there is a better chance of bringing the land into cultivation than there is under a system that forces a man to put all his money into the purchase of the land?—Yes. I know one man who took up land, and he has done very well indeed. He is milking cows and saving money. I spoke to him the other day, and asked him if he would like to pay off his lease. He said, "Well, I do not know. I bought some property in Whangarei, and it is bringing me in 15 per cent. I do not want to pay off the lease, because I am only paying 3½ or 4 per cent. on it, and I can always get 5 or 6 per cent. for any money I make. I am satisfied."

69. It struck us that a good deal of the North of Auckland land requires an amount of capital to bring it into anything like a state of cultivation. Would not a lease like lease in perpetuity, which does not force a man to sink his money into the freehold, more reasonably be expected to enable a man to bring it into a state of cultivation than any other system?—Yes. I do not know how you would bring some of this poor land into cultivation. If you plough it you would want to be alongside a bone-mill.

70. You said it would grow fruit-trees?—Yes; but they want manuring too.

71. Would it not grow fruit-trees without manure?—It would grow them better with a little.

72. Another statement that was made in regard to this rough land is that a man should be exempt from residence conditions by doubling his improvements: do you think that would be a reasonable thing?—I would be quite agreeable to that. I would like the Government to take up 20, 50, or 100 acres, and plough it and work it and sow it down in danthonia or some of the harder grasses, to prove to the settlers what could be done with the land.

73. Do you think also that something should be done by the Government to show what could be done in the way of fruit-growing?—Yes, by all means.

74. *Mr. Hall.*] Have you any general knowledge of the country north of Mangonui and Kaipara?—I know the country very well from Auckland to here and from here to the Bay of Islands and Hokianga, but I do not know much about the land further north.

75. Evidently the Natives hold a large area of country: is that generally the best land?—Of course, it is.

76. If it could be acquired by the Government and settled would it promote the prosperity of the north?—There is no doubt about it. It would be all taken up directly.

77. Do you think the difficulties of acquiring that land from the Natives are insurmountable?—I do not. I think the Government could treat with the Natives for the chief part of it. They should make reserves for the use of the Natives, for I would not like to see the Natives landless.

78. Can you suggest any system of dealing with the poor land under any other tenure than at present in force that would lead to successful settlement? Would you make a free grant, say, of 100 acres of land to be taken up and improved?—I believe a good lot of land could be taken up. As regards these gum reserves, I think the best plan would be to convert them into Crown lands and then sell them. I know gum land that is selling at £15 and £20 per acre. That is the value given to the land by the gum.

79. Would Austrians make desirable settlers on small holdings as fruit-growers?—I believe they would. At present the Austrians lease a small piece of ground from a settler to dig gum, and they have their eye on the gum reserve all the time, and they are continually back and forward on it. It would take all the Rangers in the country to catch them. They are clearing all the gum out of the reserves now, and the sooner these reserves are dealt with the better.

80. Do you think they would make desirable settlers on small holdings of inferior land if they had the opportunity under certain conditions?—I do. They are a very hard-working lot of men.

81. Is the lease in perpetuity considered a satisfactory tenure throughout the north?—No. The best tenure is occupation with right of purchase. It suits the settlers best, and it is most favoured.

82. I suppose you have a knowledge of the ballot system?—Yes.

83. Could that be simplified and improved?—I think the ballot system is a long way from being right, but I have not heard any better suggestion from any one to take its place.

84. *Mr. Johnston.*] There is a large area of land between the falls and the town here covered with gorse: is that private land?—Yes.

85. That is pretty good land?—I do not think it is very good land. It is very poor land; it would not keep a cricket.

86. I was told that 13 tons of potatoes to the acre were got from it?—You can grow potatoes on a brick if you have plenty of manure.

87. Is it good to have the gorse there?—No.

88. You know who owns it?—I believe it belongs to several residents in the Whangarei district.

89. Has the Noxious Weeds Act been brought into operation here?—Yes, it is supposed to be. We have an Inspector, and it is being enforced in several instances.

90. Are you rating on the unimproved value?—No.

91. Would it not be better if it was?—I begin to think it would be.

92. Do you think gum-digging is advantageous to the settlement of the country?—Not particularly. They are taking the gum and timber away, and these are our principal products. I do not know what is to become of the north when they are gone. The poor land may possibly have some coal or other mineral in it.

93. Are not settlers' sons following the occupation of gum-digging instead of going on to the land?—Not many settlers' sons. They go into the bush and get their £2 a week and found there.

94. Do the settlers' sons go on the land at all?—Yes, of course, they take it up. They took up the land at Maungakia.

95. Why did the man with the 38 acres who sent you that letter take up the land if it was not fit to keep a rabbit?—You see, he had other land besides that, and he has fenced it in, and he keeps his dry cows and possibly a few sheep on it. I could show you twenty letters from Crown tenants complaining about the residential conditions.

96. How much of this land is there that you think a capitalist would be a fool to touch?—About an eighth of the North of Auckland.

97. Of course, if a capitalist would be a fool to touch it it would be a foolish thing to put a poor man on it, as Mr. Forbes pointed out?—Yes; but he would make something out of it.

98. If a capitalist could not make something out of it a poor man could not?—But he would put no capital in the land but his labour.

99. What would you do with the land between Warkworth and Auckland?—I wish you would give me something easier. That is about as poor land as there is anywhere in the north.

100. There is plenty more like it?—Something like it. If you noticed, coming out from Auckland, you would see that they are ploughing and cultivating the hills and manuring them, and when the land is near a big town you will see it brought under. The land can be brought under with plenty of manure; but where manure costs three times as much as it does close to town it is out of the question.

101. That land has been near Auckland for many years and was not touched?—That is so, but they are touching it now.

102. Why are Austrians kept off the gum reserves?—Because the gum reserves are reserved for the settlers and people of the country who pay a royalty.

103. But do not the Austrians do better work than Europeans on gum-fields: do they not dig systematically?—They do not leave much after them.

104. You do not want anything left: you want the gum out and be done with it?—That is so.

105. Do you think the gum reserves would be better administered by the Land Board than by the County Councils?—I do not know about that. The County Councils have as good ideas of this land as the Land Board. I consider they should act together.

106. Does not dual administration jar more or less at times?—It has not come under my notice.

107. Have you had any experience of the Advances to Settlers Office?—Not personally. I consider it is the best Act the Government ever passed. It has done the settlers more good than anything else they have ever done.

108. Have you heard any complaints about its administration?—You will always get complaints, but, generally, I think it has been fairly satisfactory.

109. *Mr. Matheson.*] Do you say that the gum reserves are reserved for Europeans to dig on?—Yes.

110. Then, have Austrians the same rights as colonists?—No.

111. Do you not consider Austrians are Europeans?—Yes; but Austrians come here and make money and then clear out of the country with it. It is better that the settler should earn this money, because he will keep it in the colony and improve his land with it.

112. Have you known any Austrians to make good settlers?—Yes, I have known two of them to be fairly good settlers.

113. Do you think it is wise to deny them the right to dig on kauri-gum reserves?—I consider it is better to let the settler have the gum than to encourage these men.

114. Do you think it would be wise to try and encourage them to make use of the land when they have got some money from gum-digging?—Yes, I quite agree with that, because they make good settlers.

115. You spoke of three tenures being sufficient: which three do you mean?—Cash, occupation with right of purchase, and lease in perpetuity.

116. Do you think it would be wise to give applicants for Crown lands the option as to which tenure they would take it up under?—By all means.

117. Under the Land for Settlements Act, when a man gets on his feet would it be wise to give him the right of purchase?—Decidedly not. He took it up under lease in perpetuity, and I say let him stick to it.

118. Is it not sometimes wise for the landlord to agree with a tenant to amend a lease?—Possibly.

119. Do you know whether a number of the old homestead settlers in this district have been in receipt of charitable aid?—Not to my knowledge.

120. Have men proved that the poor land north of Auckland can be profitably used to grow vines and fruit?—It has been proved on small areas.

121. Then, why do you think it would be wise for the Government to undertake to prove it when it has been already proved?—I mean they should experiment with the hard grasses, and not with the fruit-trees.

122. Where do you think would be a wise place to give the best proof possible?—On the Mungarei gumfields.

123. Would you sell the gum reserves by auction?—Yes.

124. Do you think if it was done that way the State would get a much bigger return than by licensing the diggers?—Yes. The licenses are merely a nominal thing.

125. What size section do you think it would be wise to cut these reserves into?—From 10 to 20 up to 200 acres.

126. *Mr. McCordle.*] You mentioned some number of settlements that have been a considerable success under the leasehold tenure: is that under lease in perpetuity, occupation with right of purchase, or both?—Both.

127. Whereabouts are they?—Some at Ruatangata and some at Whatitiri.

128. Were they opened under the optional system?—Yes.

129. Do you know what number were taken up under occupation with right of purchase and what number under lease in perpetuity?—I do not remember, but I could supply particulars.

130. I observe that you are in favour of securing to the Natives a certain proportion of land sufficient for their wants, and that the Government should take over the balance and deal with it?—Yes.

131. I suppose you would observe the conditions of the present Act by granting to the Natives about 50 acres each?—Yes, or more under some circumstances.

132. *Mr. McCutchan.*] You say occupation with right of purchase is the favourite tenure throughout the north?—Yes.

133. And, in your personal opinion, the three present tenures should remain on the statute-book?—Yes.

134. Occupation-with-right-of-purchase tenants have the right to convert to lease in perpetuity: would you allow lease-in-perpetuity tenants to convert to occupation with right of purchase?—Yes.

135. For what reason?—They had the chance of the three tenures, and they should stick to the one they selected.

136. In some cases the people did not have the option—for instance, no option was given in regard to the Kawhia land?—No, it was all lease-in-perpetuity tenure.

137. All down the Ahura Flat the optional tenure was not allowed?—No.

138. Do you know of any good reason why it was not allowed?—No.

139. Was it not an object in giving the lease-in-perpetuity tenure to enable the poorer class of men to get on the land?—Yes.

140. Do you think that the man with a little more means should get an advantage over the poor man in regard to tenure?—No.

141. Then, why do you object to a tenant having the right when he is in a position financially to convert his tenure into an occupation-with-right-of-purchase tenure by paying the difference to do so?—I am against the opportunity being given to convert the lease in perpetuity into freehold.

142. Do you think that the leaseholders should get a rebate of rent?—In some instances, I consider, they are over-rented.

143. Are you acquainted with the provisions of the Rebate of Rent Act?—I have read it, but I do not know much about it.

144. Is it not the case that rebates are given generally all over the colony, irrespective of whether the rent is too high or too low?—Yes, I think so.

145. Would you consider the Rebate of Rent Act as interfering in any way with the original contract, which you say you do not want to interfere with?—The original contract would not be interfered with, and the settler would get the benefit if he was given a rebate. In some instances there ought to be a rebate because the rents are too high.

146. Is it not the case that throughout the north the Crown leaseholders desire to change the lease-in-perpetuity tenure into occupation-with-right-of-purchase tenure?—Yes, I dare say it is. I consider that if a man takes up a section under lease in perpetuity he ought to stick to it, and the same in regard to the optional system.

147. You said you thought the area of the homestead sections should not be less than 300 acres. Would you give the title after five years if improvements were made? Would you enforce the residence conditions under the homestead system?—No; I would leave it to the discretion of the Land Board.

148. If the land was of any value might it not be possible that speculators would go in under certain conditions and take up the land? Are not the residence conditions in connection with land-settlement the chief preventive of speculation and dummyism?—Yes.

149. I am alluding to the Crown lands of the colony, and principally in connection with homestead settlement?—I would not push settlers in regard to the residential clause if they were genuine, good settlers.

150. Is not residence the chief means a settler has of proving his *bona fides*?—Yes; but they would not settle on these lands. It would be the farmers adjoining who would take the land up.

151. In connection with the residence clause, you are aware that lease-in-perpetuity holders are compelled to reside ten years continuously, and in the case of occupation-with-right-of-purchase holders they are compelled to reside for six years continuously. Do you see any reason why there should be any distinction in this respect between the two classes of tenants?—No.

152. Would you be in favour of reducing the term in the case of the lease-in-perpetuity tenure to six years?—Yes, making them both alike.

153. Would you be in favour of any further reduction in the period of continuous residence?—No.

154. You think that where double improvements are effected there should be exemption from residence?—Yes; but always subject to the discretionary power of the Land Board.

155. In addition to the value of the tenant's improvements, there is also the goodwill, and sometimes an unearned increment: do you think that belongs to the settler upon the land?—Yes; I consider it belongs to the man who owns the land.

156. Do you know, in connection with these North of Auckland lands, if any systematic analysis of the various soils has been made to see what constituent is really wanting in the land?—No; but such an analysis is required very much.

157. Do you think the minimum price of 5s. for Crown lands should be made lower?—Yes.

158. *Mr. Johnston.*] I suppose you are aware that Mr. Buchanan got some of the soil at Cheviot analysed, and as a result it was said that that soil would not grow wheat?—Yes.

159. And you also know that splendid crops of wheat are now growing on that land?—Yes.

JAMES MILLER KILLEN examined.

160. *The Chairman.*] What are you?—I am a solicitor, and I occupy a farm of 235 acres freehold. I have occupied this land for about seventeen years. It is about a mile and a half from the town. Besides that, I have lately purchased for two of my sons some land held by the persons who took it up under occupation license with the right of purchase. One of these farms consists of 314 acres and the other a little less than 100 acres. I am supplying my sons with capital to carry them on.

161. What tenure do you favour?—Unhesitatingly, the freehold. The freehold I consider to be the best for the country, and also the best for the farmer. At the same time, I think that both the occupation license with right of purchase and lease in perpetuity have been advantageous to the settlement of the country as a preliminary.

162. But you think the freehold should be the goal?—Yes, the freehold should be the goal.

163. Is that opinion generally held in this district?—Yes; and there is a considerable amount of doubt, hesitation, and uncertainty with regard to the lease in perpetuity.

164. In what respect?—Interference, both from the Land Board and from the Government. Many of the lessees are afraid of that owing to different things, one of them being this: that Fair Rent Bills have been introduced into Parliament, and certain restrictions are proposed to be imposed on leaseholds. There is a certain amount of uncertainty felt by the lessees with regard to their position, which, I think, is undesirable, and is bad for the country and bad for the tenants.

165. But a gentleman in your profession, no doubt, is well aware of the sacredness of a contract. Do you think the Legislature would enact anything that would disturb or violate that contract?—When a Minister of the Crown introduces a Fair Rent Bill proposing to interfere with the lease in perpetuity I think the people are perfectly justified in cherishing a fear in regard to the matter.

166. But if they do that in the case of the leasehold, might they not also propose some drastic change in regard to the freehold?—That is so. That is the danger that is making people afraid that the sacredness of a contract might be interfered with by the Legislature. Of course, an Act of Parliament can override anything, and they might take possession of the farms; but if that were done I think it would bring about a revolution, and I think no Government would introduce such a measure.

167. We have heard that the large area of Native land and the unimproved freehold land has been deterrent from the progress of this district?—Undoubtedly, that is the case. I think a great mistake was made in the early settlement of the country by allowing the settlers to settle the poor land before attempting to settle the better class of land. To my mind, the natural and best order in which to settle the country is to allow the best land to be settled first, and subsequently the poorer land will naturally be taken up, improved, and settled afterwards. Probably the circumstances of the country were such as to necessitate the settlers taking up the poor land on account of the better land being held by the aboriginal owners. In many cases the holdings were of such a size that the people who took them up were not able to make a living off them. Some of the sections were 10 acres and some 40 acres. A considerable number are unoccupied at the present time. These sections were allotted in the early days, but no man could make a living off them in those days, and no man could do so now. Poor land of that kind to be usefully occupied must be taken up in larger areas. Experience has proved that, and I think any man of common-sense might have seen it at the start. If the best land had been settled first the poorer land would have been settled afterwards. In this district the best land is in the hands of the Natives, and, with few exceptions, the Europeans have been debarred from taking up the better land.

168. Have you any suggestion to make with regard to the acquisition of this good Native land by the Government, or have you any other suggestion to make on that subject?—I have no doubt that many of the Natives are anxious to have the right of dealing with their own land. They look upon themselves as being in every way equal to Europeans, and I think it would be only right and fair to place them as soon as possible upon an equality with Europeans. If there is any doubt about their ability to support themselves, a certain amount of land might be reserved for them—whatever area is considered necessary. In no case do the Natives farm to any great extent, and I am quite satisfied that 100 acres would be as much as most of them would be able to manage. I think we should set apart whatever area may be considered sufficient for their support, so that they would not fall back upon the country as paupers. We should set apart these reserves, and then let the Natives have the free right to deal with the rest of their land as Europeans have—either to lease, sell, or mortgage in any proportion they please—except this: that I think it is desirable that we should limit the area of land that any one individual may hold. I think it is desirable that the land of the colony should be distributed as widely as possible and as equally as possible amongst the people of the colony.

169. If that were done in regard to Native land, would you allow the Native to deal directly with the purchaser in regard to the balance?—I would allow the Native to deal directly with the purchaser. At the same time, it would be necessary to take steps to secure the title, so as remove any doubt about the certainty of the title.

170. Can you say how much Native land, approximately, is in the Whangarei County?—No, I cannot say definitely what the area may be. I know there are many Natives here who are exceedingly anxious to deal with Europeans, but who are debarred from doing so under the present law.

171. With regard to freehold land not being dealt with, could any reasonable pressure be brought to bear so as to bring them into cultivation?—With regard to lands held by absentees, I think the law as it at present exists is sufficient. It is impossible to compel a man to cultivate his land when he finds that he cannot make a living off it and make use of it. If he pays his rates he is benefiting the country so far. To compel him to live on the land or to spend money on the land would, in my opinion, be an act of cruelty, because if he lived on the land he would be bound to become a pauper, because he could never make a living off it.

171A. What are you to do? Are you to deprive him of the land altogether?—In the meantime he pays his rates, and if he pays his rates, no doubt, in course of time the land will become more valuable. Having no security of tenure, he does not spend much in improving it, and when it becomes in a way valuable he may sell it for a small sum. I may mention that some of these 40-acre sections in this neighbourhood have been held by people in Auckland for perhaps forty years. They have paid rates on them for all that time, and in the end these 40-acre sections have sometimes been sold for £15—a small sum when a man has paid rates on the land for forty years.

172. We have heard to-day that the rating in this county is on the capital value. Do you not think it would be better to rate on the unimproved value?—I regard rating on the unimproved value as an unfair principle of rating, for this reason: the absentee who is paying his rates is making nothing out of the land whatever. It is lying absolutely idle, and he is paying rates all the time. His rates go to improve other land as well as his own. The man who is making improvements is paying heavier rates, but he is getting a benefit from the land and is making a living off it. I think that rates, like everything else, ought to be paid in proportion to the means of the people who pay and the benefit that those people receive from the roads. The man who is occupying the land receives a greater benefit, and it is only right, I think, that he should pay a larger amount of rates. If the rates were levied entirely on the unimproved value they would fall equally heavily on the man who is deriving no benefit from the land.

173. There is a large area of Crown land and of Native land in the North of Auckland, neither of which pay rates. Do you think it would be only just that these lands should be assessed and pay rates?—Since the Government lock them up, and do not throw them open for selection, I think they ought to pay rates, because they are simply in the position of absentee land so far as the country is concerned. But if the Government throw those lands open for selection, and allow them to be taken up in fair terms, I do not think the Government ought to pay rates on them, because they are being held by the Government for the benefit of the country.

174. We are informed that the Government do pay something in the form of votes, but that these votes are rather uncertain; and it has been suggested that if another system were adopted the local body would have a more assured finance?—There is certainly a difficulty about the matter. It is very desirable that the finance of the local bodies should be put on a better basis than at present. I think there are many evils connected with the obtaining of these grants or votes; but what is the way out of the difficulty I am not prepared to say.

175. Do you approve of the present constitution of the Land Boards?—Personally, I have not given that subject very much attention; but I know there has been a considerable amount of dissatisfaction in connection with it. Some of the gentlemen appointed to the Land Board would hardly have been selected by the settlers.

176. Supposing the Board were made partially or wholly elective, what franchise do you think they should be elected under? I dare say if three or four counties were joined together the County Council might be allowed to nominate one member for the counties in a certain district.

177. *Mr. Paul.*] Would you elect the whole of the Board?—No. I think the Government has a right to representation on the Board. I think it would be a decided mistake to put the administration of the land into the hands of an elected Board, because it might give rise to jobbery.

178. Have you noticed any difference in the farming of freehold and leasehold land?—Decidedly. I suppose you are speaking in regard to leases in this part of the colony.

179. I mean so far as your experience goes?—Generally speaking, the leaseholder is—to use too strong an expression to give you the idea—a slave. A freeholder is a free man, and is independent, and I think the prosperity of the country depends to a very large extent upon the freedom and independence of the men of the country. If you are to have a nation of serfs you will not prosper. If you are to have a nation of men it will be a very different thing. A freehold has a tendency to produce men. A leasehold has a tendency to make slaves and serfs.

180. Do you think the leaseholder is a slave?—No; but I say the tendency of the leasehold is to create subserviency and to create serfs. As a matter of fact, in countries where there is nothing but leasehold there is not that freedom and independence of spirit and manliness such as exists in the United States, where there is nothing but the freehold.

181. Could you cite a country where there is nothing but leasehold?—In Egypt the fellaheen is to a large extent miserable, and in India, where the bulk of the people are not freeholders, and in Russia the whole of the land is held by the Czar and the nobility. What are the people in those countries.

182. Do you think there is any analogy between those people and the British people?—Yes. They are men like ourselves, and if they had the same opportunity and the same privileges perhaps they would be in every way equal to us, if not better—some of them.

183. Is that not largely a matter of conjecture?—No; history proves it.

184. Have you had experience in all those countries, as well as Great Britain?—I am a native of the British Empire, and have passed through some of those countries and have studied the history of other countries, and it is from my knowledge and experience and from what I have seen that I speak as I do now.

185. Do you know of any men who are progressing favourably where there is the leasehold tenure? Yes; as I said at the beginning, I think the perpetual lease is a good thing. It enables men without capital to take up land and make a living for themselves—men who would not be in a position to take up land if they had not an opportunity of taking it up under leasehold.

186. Do you look on those men as in any way approaching the conditions of serfs?—No.

187. In this colony a very large number of poor men have got on to the land by means of the leasehold who could only have done so under that system?—Certainly, and it was a good thing for them; but at the same time I say it would be a good thing for the country if it enabled those men who wished to do so to acquire the freehold of the land. I do not say that those men have a right to go to the Government and say, “You must give us the freehold,” because I look on a contract as a sacred thing, and those men, having taken up the leasehold, have not a right to demand the freehold. But I say, if the Government can see its way to allow these men to get the freehold these settlers will take greater interest in the land and will become more independent, and the result will be better for the country.

188. You referred to some restrictions they were attempting to impose on leaseholders?—I referred to the Matamata Block. When it was thrown open for selection there were restrictions imposed, and I know of people in this district who wished to take up some of that land for their sons, but owing to the restrictions they would not do so. If such restrictions are to be imposed for 999 years it seems to be absolutely necessary to bring about a change before that time elapses, because the world changes and everything changes even the system of farming changes—and to impose restrictions of that kind for 999 years on a lease is, to my mind, absurd.

189. Under our land-for-settlements policy there are numerous restrictions: do you think it is necessary to have some supervision or restrictions?—I think that all leaseholds should be subject to supervision, because my experience of leaseholds is that tenants very frequently ruin the land. But in the case of the 999-years lease, that is a different matter. What I object to in the restrictions of the 999-years lease is the absurdity of laying down any plan of farming for 999 years. So far as that is concerned, I do not think that there is any need for any restrictions. It is tantamount to a freehold. There are, however, people who are afraid that there will be interference with the lease.

190. Do you think if a man had a certain amount of capital sunk in the land he would abuse the land?—I think if you give a man the freehold he will do his very best with his own. That is the best principle to adopt; but if you risk land to a man the probability is that he will take everything out of it that he can during his term, and will leave the land in a very poor condition for the succeeding tenant. I think it would be a good thing for the country to say to these people, “We will give you the option of securing for yourselves the freehold.”

191. Would you extend that option to the land-for-settlements policy?—I would extend it to all the land in the country.

192. Have you had experience of the working of the land-for-settlements policy in the south?—No. Bickerstaffe is the only estate that has been purchased under that Act in the North of Auckland. I have had no experience of it, but I hear that it is not a great success. I hold that even under the land-for-settlements system it would be better for the country and better for the people who occupy the land that they should be the owners of the land. If there are restrictions as to area, I do not think any danger is likely to result, either to the country as a whole or to the individual holders of the land, if they are permitted to acquire the freehold.

193. Do you believe in the leasehold tenure pure and simple?—In many cases I do. I think those who want leases should have an opportunity of getting them.

194. Do you think the State should charge too high rent?—Certainly not. I think that is a mistake that has been made in this district. The land was valued too highly, and the rents are really higher than the tenants ought to pay. I have known of first-class land in this district taken up by men who had to go out and work on the gumfields in order to pay their rent, and even after they had struggled on for some years they had to throw up the land altogether.

195. Do you think in that case there should be some machinery for reducing the rent?—No, because I think a contract is a sacred thing, and I think the proper thing for these people to do is to go to the Government and say, "We find we have made a mistake, and we wish to surrender the leases." Then, if the Government thinks fit, and if these men are agreeable, there should be a new lease made, but there should be no modification of the existing lease.

196. Do you think it is wise of the State to give a lease for 999 years at rent based on the then present value?—I think that, in some cases the value of the land at present will probably be higher than it will be one hundred years hence. The value of land, like the value of everything else, fluctuates, and sometimes very considerably. To my personal knowledge, land has been thrown open in this district at far too high a figure. Even the best land here requires a great outlay of capital to improve it before it gives any return. I think the Government might even give the tenants some of this land absolutely free for a certain number of years—say, ten years—and it would be a good thing for the country.

197. Would you give them the freehold at the end of that time?—Yes, if the tenants made certain improvements on the ground, but not otherwise.

198. Would you give them that land also for nothing?—No. The good land of the country is of a certain value, and ought not to be given away absolutely; but I would not ask the people to pay down all the money at once, neither would I ask them to go out and earn their rent, as under occupation-with-right-of-purchase license, while they are improving the land. Take the Whatatiri Block, of which I have some personal knowledge: it was valued at £2 10s. per acre, and the greater portion at £2 and £2 5s. per acre. It is generally admitted to be good land, but I do not think that any person who took up that land would be able to pay his rent from it during the first four years' occupation.

199. Seeing that you admit that the valuation for this land was too high, and consequently the rent is too high, do you think that revaluation would be sound to apply to future leases?—The difficulty is in regard to making a correct calculation. I think if a man makes a bargain he should stick to it, even to his own hurt. I think it is a bad thing for a Government to encourage people to wish to alter their contract.

200. I think you advocated that if a man is paying too high rent he ought to rather forfeit his section?—A man takes up land under certain conditions, and if he does not fulfill those conditions he is supposed to surrender.

201. Do you think that absentee-owned land is a bar to the progress of the district?—Yes.

202. Do you not think the community has a perfect right to rating on the unimproved value of the land?—Yes, and they are doing that now. And if the occupier does not pay the rates the land will be sold to pay them.

203. Do you think that an absentee, who is not making use of his land, should hand it over to somebody else who will use it?—A man has a right to do with his own as he likes. I think a man who pays for his land, being the owner of it, has a right to use it as he thinks best, just as you are the owner of your coat.

204. But we are speaking of land—land with which he is doing nothing?—He has paid his money for it, and the State has no right to interfere with the contract it has made.

205. It is a question of taxation?—As long as he pays the taxes he is fulfilling the conditions imposed in the original contract.

206. Is there any difficulty in getting money advanced on leasehold land?—Capitalists are less willing to advance on leasehold land than on freehold, because the security is not considered so good.

207. Is that a question of a lesser amount, or does it affect giving an advance at all?—The same amount will not be advanced on leasehold as on freehold; and in the case of leasehold the interest charged is higher—the advance given in the case of leasehold is only an advance on the improvements.

208. Is money ever advanced on leaseholds in this district?—Yes, but the interest charged to private people is generally higher.

209. *Mr. Anstey.*] You say that tenants should have the right to acquire the freehold?—I think it would be a good thing for the country if they had.

210. Would you extend that principle to tenants of education reserves?—I really think it would be better for the country if that were done.

211. Would you extend it to leaseholds of private land?—I would not make it compulsory to a private individual, because it may be occasionally very desirable that a man should have the right of leasing his land without being compelled to sell it. For instance, he may be placed in

such circumstances that he wishes to go somewhere else for a short term, and it may be desirable that he should lease his land during the period of his absence, and if he were obliged to sell the land to the lessee, I do not think that would be right. I would not make it compulsory.

212. I understood you to say that a leaseholder from a private landlord must remain a serf all his days as long as he is a leaseholder?—I said the leasehold system has a tendency to create serfs, and it also tends to create many other abuses, both on the part of the landlord and the tenant.

213. Could you mention a country or countries where the majority of the people are leaseholders, and from whom they hold their leasehold?—In Russia it is the nobility that owns the land; in Egypt it is the Khedive; and in India the landlords of the soil.

214. Who owns the land in England?—In England there is an evil that should be guarded against in any new country, and that is the land has been acquired by comparatively few people.

215. Supposing you allowed the freehold to be given in this colony, what would be the result?—The people who purchased the land cannot occupy it for ever. They must do something with it, and in many cases it will be divided up and handed down to their children.

216. Would you compel the children to live on the land?—If they wished to do so; but I would give them the right to sell or lease it.

217. Supposing they leased it, would the lessees necessarily become serfs?—Not necessarily. At the same time, so far as they are lessees, they are under the authority of others, and the freer a man is the better for him and for the State of which he is a citizen.

218. *Mr. Forbes.*] You said a man has a right to do what he likes with his own?—Yes, provided he does not injure his neighbour.

219. We noticed the other day a case where a man had sown gorse over his place?—The old common law of England provided that if a man sowed gorse and allowed it to spread to his neighbour's land, his neighbour had a good action at law against him. Here, the circumstances are entirely different. That law is in existence here, but the difficulty is to prove the offence. Take gorse, for instance. A man has planted a hedge of gorse, and in a few years gorse appears elsewhere, or perhaps a mile away. Inasmuch as several other people have planted gorse round about, it is impossible to prove where that seed came from; but if you could prove that it came from the particular hedge I have referred to, you would have an action at law against the man who planted it, or the owner of the property.

220. But in this case a man farms with the gorse: would you have an action against him?—If you could prove that the injury sustained was caused by the planting of the gorse, you certainly would have.

221. Was the lease in perpetuity not introduced by Sir John McKenzie in order to deal with the evil of mortgaging freehold farms, thus practically causing the mortgagors to pay rack rents for their farms?—I think a similar evil is just as likely to exist in connection with the leasehold. If men do not manage to get on and be prosperous they will be obliged to borrow, and they will have the same difficulties to labour under, whether the tenure be leasehold or freehold; and the difficulty in the place of the leaseholder will perhaps be greater, because he will have higher interest to pay on account of the nature of his tenure.

222. You do not think the lease in perpetuity will meet that evil?—I do not think it will cure the evil at all.

223. Do you consider that legislation ought to be passed restricting the area of land that a man may hold?—I would not interfere at all with present titles, but I think it would be desirable to prevent a man holding more than a certain area. At the same time, I do not think there is the same necessity as there is in England, where the law of primogeniture prevails, because there is no danger of the land in New Zealand, under our present laws, being kept in a few hands. The land must necessarily be split up amongst the members of a family when a man dies.

224. Do you not think the better way to prevent the land being held in large areas by a few people would be by means of taxation?—We have the graduated land-tax at present, and perhaps, to a certain extent, that is right; but to increase the graduated land-tax so as to compel people to split up their estates and sell them at a sacrifice, would, to my mind, be a very harsh and improper act.

225. Would that be more harsh than passing legislation compelling people to divide up their land?—As long as there is plenty of land in the country to meet the demand, I do not see why you should interfere with private rights. At present large estates are being acquired by the Government, and there is no necessity to introduce fresh legislation, because the power already exists. I think, certainly, where one man holds far more land than he can really make use of, and there are others debarred from getting it, it is desirable that they should be given the right to get it; but I do not think it is just to take away a man's land from him and give it to another, merely because that other wants it.

226. Do you think we have sufficient machinery now in our present laws for restricting the area that a man may hold—that is, by a taxation, and so on?—I think so.

227. Have you had anything to do with the Advances to Settlers Office?—Yes; I am the solicitor for preparing mortgages in connection with advances to settlers in this district. I think advances to settlers by the Government have been a very great boon to the district. The only complaint I have heard in connection with it is the delay that takes place in replying to applications for loans. Applicants are sometimes kept waiting for three or four months before they get a reply.

228. We have had evidence that the amount offered has been in some cases ridiculous in comparison with the amount of improvements?—The valuation placed by the Government for general purposes is sometimes considerably greater than the Advances to Settlers Department seem to take as a basis for their value when application is made for a loan. Whether the valuer is responsible for that I do not know. It may be that the fault rests entirely with the occupier of the

land; but I know as a fact that people have sometimes made application for loans, and the value placed upon the property for ordinary rating purposes was such as to justify them in accepting the loan, but the loan was refused. But, as a general rule, the valuation for rating purposes bears a pretty close relationship to its value for the advances to settlers purposes.

229. Would you say it was a safe principle to advance up to more than half the improvements on the lands about here?—It greatly depends upon the borrower.

230. Would you say it would be safe to advance up to two-thirds?—In many cases it would be perfectly safe. A great deal depends upon the moral risk.

231. *Mr. Hall.*] You consider all leases from the Crown should contain conditions giving the right to purchase?—No; I said it would be good for the country if the Crown said to its lessees, "You may, if you wish, obtain the freehold on certain conditions."

232. As regards existing leases, would you alter the tenure and give the right to purchase?—I would not do so. But I think it would be a wise thing on the part of the Government to give those people the opportunity of securing the freehold if they wished it.

233. Would that not be retrospective legislation?—No. It refers only to the future. It would confer a boon upon the existing lessees for the purpose of securing a greater boon to the country.

234. Would it not be dangerous to interfere with existing titles to land?—No. It would not be interfering with existing titles, because the lessees could continue to be lessees if they wished. It would be optional with them entirely whether they purchase the freehold or not. I said they had not the right to do it, and it is simply because it would be good for the country that the Government would grant it.

235. Is it fair to compare the leases in the Old Country—rack-renting for a few years with no allowance for improvements—with the tenure in New Zealand?—No, the tenures are different entirely; but, at the same time, from the evils which have arisen in the Old Country in connection with the leases, I think wise men will learn something with regard to the leasehold tenure in any country, New Zealand included.

236. With regard to the lease in perpetuity, the whole of the money remains on mortgage for all time; is not that as safe as if the lands were mortgaged to private individuals?—No; it is not a mortgage in the same sense as a mortgage to a private individual, because, in the case of the lease in perpetuity, the right to secure the freehold is not given. The mortgagor has no right to pay off the mortgage. The mortgage must remain a burden on his back for all time.

237. As regards these irritating restrictions, which make men look upon themselves as slaves, would it not free them from all that if they were allowed to pay a part of the money, and then have all restrictions removed?—Well, a part is better than none; but the whole is better than a part.

238. Another way would be, as soon as they had made improvements to such an extent that their interest in the property was equal to that of the Crown, to remove all restrictions. That would meet the case, would it not?—To a certain extent, it would.

239. *Mr. Johnston.*] Are you representing any particular body here to-day?—I was asked by the Whangarei Chamber of Commerce to attend and give evidence, but that is all. I do not consider I am really representing the Chamber of Commerce.

240. You do not represent the Farmer's Union?—No.

241. Have you visited the South Island and where the Land for Settlements Act is enforced?—Not since that Act came into force. I have not seen the results of its working.

242. Do you consider gum-digging advantageous to the general settlement of the country?—I think the gum industry has been grossly mismanaged from the beginning. I have sometimes entertained a doubt whether it would not have been better for the North of Auckland if there had been no gum at all. At the same time, many people have not only existed, but have made a good living in the north, who would not have been able to do so otherwise.

243. Do you believe in all those areas being still kept open as gum reserves?—I have not given the question very much attention, but I do not think it is desirable that they should be reserved for all time. Some of them it might be wise to close almost immediately, but others, under existing circumstances, should be kept open as reserves for some time, because if you closed them you would take away the living from a considerable number of people.

244. Is it not true that large areas of land are still under reservation which have been dug over and over again, and would it not be advisable that something should be done with that land?—I think it should be thrown open for settlement on some such system as the homestead, under which people would have nothing to pay in the shape of rent or anything else.

245. Have the gum-diggers, as a rule, accumulated sufficient to enable them to take up land?—The bulk of the gum-diggers roam about, and eventually fall upon charitable aid.

246. You said something about the inability of settlers to pay rent for four years?—I meant inability to make the rent out of the land for four years.

247. Are you aware that the Land Boards in the South Island inquire into a man's position when he applies for land, to see if he has sufficient capital to pay three years' rent?—I know it has been done sometimes by the Auckland Land Board, and I think it is an erroneous principle to go on. I think the responsibility should rest with the man himself. It should not matter to the Land Board whether a man makes his rent out of the land or some other source.

248. Would they not be considered hard task-masters if they put him off because he had no capital?—I think if a man is wise and finds he cannot make the land pay he should surrender his holding.

249. What is the average interest on loans on leasehold as compared with the interest on loans on freehold from private individuals?—With the Government the interest is the same, but there is at the very least 1 per cent. difference between the leasehold and the freehold as regards private loans.

250. Can you get money on leasehold at 5 per cent.?—I have never known of it except in the case of a personal friend.

251. We have been told all up the coast that it is quite easy to get money on leasehold at the same rate as the Advances to Settlers Department charge?—I have not seen a single instance of it in this district.

252. Are the expenses in connection with obtaining money under the Advances to Settlers Act less than in connection with obtaining money from private sources?—Yes, as a rule. I think they are unfairly small in connection with advances to settlers. The charges made in connection with the registration of a mortgage is more than is paid to the solicitor for searching a title and drawing out a mortgage, which, to my mind, is most unjust.

253. You have expressed the opinion that leaseholds tended to serfdom: surely you will not say that about the Old Country, especially Ireland?—Well, the experience in the old days about Ireland was this: that before the ballot system was introduced, the landlord at election-time used to drive his tenants down to the poll like a flock of sheep, and if they did not vote as he wanted them to vote they had to take the consequences. Was not that a system of slavery?

254. Are there any education reserves in the districts?—Yes, several.

255. I suppose they are leased for revenue purposes?—Yes, but some of them are so poor that no one will take them up.

256. Would you advise giving the lessees of these education reserves the right to purchase?—I think the whole thing wants remodelling, because many of these lands are lying idle for many years, and become a nest for the propagation of noxious weeds and other things, and they are being used by the adjoining settlers in a way they have no right to be used.

257. Under the Land for Settlements Act a lessee pays 4 per cent. to the Government for his land. Do you not think, instead of wanting to pay off his capital, it would be better for him to invest that money at 5 per cent., and have a margin of 1 per cent. profit?—He might invest his money and lose it altogether, whereas if he pays it to the Crown he has his land.

258. *Mr. Matheson.*] Are you a member of the County Council?—No.

259. Are there numbers of unoccupied sections not paying rates?—Yes.

260. Do you think the local body should take the necessary action to have those lands sold?—In many cases they have already done so.

261. Do you think the necessary legal procedure in such cases could be improved upon?—I think so, but it is a matter which would require more consideration than I have given to it.

262. Are you aware that in Britain the land-settlement policy which is being pursued differs in one essential point from ours: that is, in connection with giving the tenants the right to purchase?—Yes.

263. Do you think that in dealing in the future with land-settlement here the British method is the wiser one from the State point of view—that is to say, at the end of forty-nine years the freehold is acquired through the rent providing a sinking fund, while here under the settlement policy the rent goes on for ever?—I think in many cases it would be advantageous for the settlers if some method of that kind were in existence. I think also it would be a benefit to the bulk of the people and to the State as a whole, because the people constitute the State.

264. Do you consider the lease with right to purchase, when the tenant is able, is better than the deferred payment, which compels him to purchase, say, in fifty years?—Yes.

265. *Mr. McCardle.*] There are persons in certain quarters who contend it is ruinous to borrow. Is it possible that money can be profitably lent if it is ruinous to borrow?—Well, you cannot lend if there are no borrowers.

266. And a man would not lend unless he thought he was going to get his money back?—No.

267. With reference to the Native lands, there are some people who are afraid that if the Native was allowed to deal with his land he will be made a pauper?—To-day, in many cases, he is nothing else but a pauper. He is obliged to apply to others for his food and clothing, although he has hundreds of acres of land.

268. Would you favour, as a means of settling the Maori difficulty, the granting to every Native a holding in some particular block where he might desire it, and the Government taking over the balance and settling the question for him—settling the land and paying him the cash?—It would be better to adopt that course than to continue the present state of matters; but I think it would be better for the Natives to deal direct with Government or the private individual.

269. I suppose you know the Natives are clamouring for that privilege now?—I am aware that there was a large petition presented to the House asking for the right.

270. If that principle were granted would you hedge it round with restrictions so that the Natives might not dispossess themselves of all their money and land?—Yes, although I am not so sure that it would not be the best thing for the Natives if they were compelled to labour like other people.

271. In dealing with the gum lands, do you think it would be desirable that the Government should enforce certain improvement conditions, such as the growing of fruit-trees, and so forth?—I should impose conditions as to improvements; I would not, however, specify the improvements. I should leave that to the discretion of each individual, as to what improvements would pay him best.

272. We have had a suggestion that the Native lands should be sold by auction, and some of them would bring from £10 to £15 an acre—the gum lands?—I do not think it would be wise to do that, because some of those lands would fall into private hands for perhaps a trifle, as it would be only those who were personally acquainted with the conditions that would have a chance.

273. With regard to Land Boards, you have made a suggestion that they should be partly elective: suppose such a suggestion could not be carried into effect, do you think, in view of the fact that this district is a very large one, the number of members should be increased to, say, seven, who should be selected from different parts of the country to represent the various interests

of the province?—I think it desirable that the Board should be representative of the various districts, so that it should have a knowledge of the land with which it was dealing.

274. *Mr. McCutchan.*] In speaking of the Advances to Settlers Department in connection with mortgaging lease-in-perpetuity leases and occupation-with-right-of-purchase leases, the money is sometimes raised upon those securities for paying for the land, sometimes for paying off existing mortgages, and sometimes for making improvements. Do you think there can be any distinction made in the amount advanced for those different purposes?—One would naturally think that the money borrowed for the sake of making improvements should have the advantage, but I have not given the question very much thought.

275. Inasmuch as the money borrowed for further improvements improves the security, do you not think in that case the larger advance would be legitimate?—It seems reasonable.

276. Do you think either the Advances to Settlers Department or the Lands Department should exercise supervision over the expenditure of the money, and see that it is devoted to the purpose for which it was borrowed?—I am afraid that would give rise to too many difficulties.

277. What grounds had you for stating that uneasiness existed in the minds of tenants with regard to the security of their holdings?—Expressions which have come from many of the lessees, and letters which have appeared in the Press from time to time.

278. Do you think the Government would take any action unless pressure was brought to bear upon them?—Perhaps not, though I think a wise Government should act on its own initiative if it is considered advisable in the interests of the country.

279. Do you think that the demand for revaluation comes from a certain class?—I think it comes from people in the towns who have no experience whatever of the land.

280. A conference of the Trades and Labour Councils at their meeting held in Wellington declared for revaluation upon the transfer of the lease or upon the death of the lessee. Do you think that in their own interests, or in the interests of the State, such a proceeding is wise?—I think the proposal is atrocious. I think that when the State has made a contract of this kind with those people it should not be interfered with in any way.

281. The people who are advocating this change are a thoroughly organized body of men?—That is so.

282. If it is the case that the level of intelligence in the towns is, as a rule, higher than the level of intelligence in the country, have not the settlers good reason to fear such an agitation?—I do not think there is anything to show that the people in the towns have more intelligence.

283. What I meant to infer was that the people in the towns had better opportunities for organization and discussion and so sharpen their intellects?—That may be so.

ALEXANDER GORDON MCKENZIE examined.

284. *The Chairman.*] What are you?—I am a settler. I have about 1,000 acres of land at Otonga, about seventeen miles from here. I am under three tenures—the freehold, the occupation with right of purchase, and the lease in perpetuity.

285. What tenure do you favour?—The freehold, although I consider the occupation with right of purchase is very good, as it enables people to get a start, and they can ultimately acquire the freehold.

286. How long have you been farming?—About sixteen years.

287. Is there any particular point you wish to bring before the Commission?—No.

288. *Mr. Austey.*] What are the areas of your different holdings?—195 acres occupation with right of purchase, 265 acres lease in perpetuity, and the rest freehold.

289. What rents do you pay?—On the lease in perpetuity I had to pay £25 down as a guarantee that it was a *bonâ fide* affair.

290. That £25 goes towards the rent?—I suppose so.

291. What is the annual rent?—About £4 a year.

292. Do you want the right to acquire the freehold of your lease?—I should like it.

293. On what do you base your claim for the right to the freehold?—I am afraid they may revalue my improvements, and I may have to pay a higher rent.

294. Do you wish to acquire it at its original value?—Yes.

295. You wish to get something better than you have now?—It might not be worth what I am paying for it. I do not see why I should pay anything extra.

296. Have you good road-access to that land?—No, there is no road at all; but there is a road to the first block I took up.

297. *Mr. Hall.*] Is it the general opinion of the settlers that all future leases from the Crown should contain a clause giving the right to purchase?—Yes.

298. Would you consider it fair to give that right as regards existing leases?—If the Government could see their way to do it, I believe it would be to the benefit of the country.

299. Would it not be unfair to outsiders who had not an opportunity of competing under those conditions?—I do not think so. I may say I should be glad to take the land at a revaluation at the time of conversion, because I feel sure I should not be paying more than I am paying now.

300. *Mr. McCardle.*] Would you be prepared to pay 1 per cent. extra if you were granted the right to purchase?—

301. *Mr. McCutchan.*] Would you object to revaluation if you could not get the land at the original price?—I might then.

H. HAWKENS examined.

302. *The Chairman.*] What are you?—I am a settler. I hold 342 acres of land under occupation-with-right-of-purchase tenure at Marua, about twenty miles from here. I have held the land for two years, and am paying £10 5s. a year rent.

303. Are you satisfied with your tenure?—Yes, so long as I have the right to purchase.

304. You have that, of course?—But that lapses after a time, I think.

305. No, I think not?—If that is the case I am satisfied.

306. Have you improved your land much?—Yes, greatly. I have a fair proportion in grass. It was originally all bush country.

307. Is there any particular thing you wish to bring before the Commission?—I was asked to come here by a meeting of settlers on one condition—that I advocated the freehold.

308. How many settlers do you represent?—The whole settlement.

309. Have you any views on the constitution of Land Boards?—It is easy to find fault with the present system, but it is not easy to suggest a remedy. I think if any change is made at all the Crown tenants should be represented on the Board, but I do not think we have much cause for complaint.

310. *Mr. Paul.*] Do you think there is anything in the conditions of a Government lease that would tend to promote slavery?—I do not attach any importance to that.

311. What was the class of your land?—Heavy bush second-class land.

312. Do you think the general settlement of the colony can progress better under a system of improving that land and purchasing the freehold at the same time, or a system of leasehold on good terms which gives the tenant full scope for employing his capital in improving that land?—Most of us started without capital, and so we could not have bought the land. Most of it was taken up under the homestead system, and those who took it up have been good settlers. Those who took up leaseholds did so because they had no capital, and it was the cheapest bargain they could make, but most of them, I think, now would like the chance of getting the freehold.

313. Take the case of two farms—one where the tenant attempts to purchase his farm in two years, and another under leasehold, where he employs his capital in improving: which will be the best farm for the country at the end of ten years?—Undoubtedly the freehold.

314. Then, the country about here is so good that he can purchase the freehold and improve his land in the ten years?—There is no doubt that the leasehold is the best tenure for the poor man to give him a start, and if he is not able to get the freehold he can keep his land under the lease-in-perpetuity tenure. All we want is the option of getting the freehold.

315. Is the value of the leaseholds increasing in your district?—Not to any marked extent.

316. *Mr. Austey.*] Have you good road-access to your farms?—Fairly good. But with regard to the loading of lands for roads, my section was loaded; but the authorities took that money and spent it on another road, although I protested.

317. How much was your section loaded for?—It is impossible to find out.

318. Then, you do not know how much money they took from your section?—No, but they spent it on a road which has no connection with my section.

319. What have been your relations with the Land Board?—I have not had much to complain of, but there is one thing I cannot understand. Although I have done more improvements than my neighbour, I notice in the *Gazette* that my section is advertised as set apart for settlement.

320. Is that the lease-in-perpetuity section?—Yes.

321. Are you sure it is the same section?—It is Section No. 22, Block IX., Opuawhanga Survey District, and it is notified in *Gazette* No. 16.

322. Have you had any dealings with the Advances to Settlers Office?—No.

323. *Mr. Hall.*] Was the matter of the leasehold and freehold discussed at the meeting?—No; but we were asked to come as delegates to this meeting, and there were voices throughout the meeting, "Be sure you are freehold, now."

324. Is there much sentiment in the matter?—Not as regards myself.

325. If there is any increase in values around your district, is that brought about solely by the industry of the settlers?—I suppose it is. Certain industries have been started which have no doubt increased the land in value.

326. *Mr. Matheson.*] Have you asked the Land Board for an explanation of the *Gazette* notice you spoke about?—No.

327. Do you not think the explanation might be that the land was not previously legally open for settlement, and, in order to put you in a sound position, they have had to gazette it now?—No, I do not think so. There is another rather strange thing that the Land Board has done. I was told once that I need not do any more improvements, and that my improvements would suffice for all time. Well, I received notice lately to fire away again and do more.

328. Has the grass you first put in stood well?—Some of it has, and some of it has quite disappeared.

329. Has scrub come up in the place of your grass?—A local weed has come up.

330. *Mr. McCardle*] If you were allowed to convert your lease-in-perpetuity section into occupation with right of purchase, on what terms do you think it should be granted?—I would be willing to pay the 1 per cent. extra which has not been paid.

331. Do you think the tenant should be ten years in occupation of his land before he has the right to purchase?—I have not considered that part of the question.

332. Is it not the case that when a man is making improvements, in a very short time the price of the section is a mere bagatelle compared with the money spent on improvements?—The value of the improvements in most cases greatly exceeds the value of the land.

333. Do you think it would be an advantage in this large district if the number of members of the Land Board was increased, so that the people in the northern portion could have a representative who knew the conditions of settlement, and so forth, in that part of the country?—Yes; I consider that the Crown tenants should be allowed to select a man.

334. Do you think it would be an advantage to the settler on the lease-in-perpetuity tenure, if the freehold is not granted, that as soon as they have effected certain improvements they should be free from Land Board control?—Yes, I think so.

335. *Mr. McCutchan.*] You complain that the loading has not been spent on your road?—Yes.
336. What was the area of the block?—About 10,000 acres.
337. What was the loading per acre over the block?—I do not know. They would not tell me.
338. What was the loading on your own section?—I do not know. They would not tell me.
339. Can you say the amount of loading has not been spent in roading the block?—I cannot say that. The loading is given out as votes, and I do not know how much was spent.
340. Did you make application to the Land Board for information?—I told them they did it under my protest.
341. Do you approve of the principle of loading for roads?—Well, I would not mind paying a small amount for roading, but not a large amount.
342. Was there any considerable amount of money spent in roading this block?—I cannot say, because Government votes and loading-money were mixed up.
343. Did the Government commence to spend the money before you entered on the block?—Afterwards.
344. Was the work done by means of the co-operative system?—Some of it.
345. Do you consider the co-operative system satisfactory?—I have not seen much of it, but I have heard bad reports of some of it.
346. Did the settlers get any work in connection with the expenditure of the loading for these roads?—Yes, they got contracts.
347. Was the whole of the work done by means of settlers' labour?—The contracts were generally open to the public, but most of the contractors were local settlers.
348. Was the money spent by the County Council or by the Government?—Chiefly by the County Council.
349. Can you say that anything further than rates or grants was spent by the County Council?—Yes. I say this loading-money was spent under the direction of the County Council.
350. You are paying 5 per cent. on this loading for the whole term of the lease, and principal and interest are supposed to be wiped out in twenty-six years at compound interest: do you think that you should cease paying interest on the loading at the end of twenty-six years?—I do not know anything about that, but I do know that the Government deduct a certain amount from the "thirds" to pay interest on the loading. I would like to say a word in regard to residence. Several settlers desired to take up more land, but were unable to do so owing to the residence clause, and yet their neighbours can take up land if vacant land happens to adjoin them. In our settlement, which was opened under the homestead system, a man in the centre cannot take up more land, but those on the outskirts can do so because this vacant land is adjoining them.

ARTHUR ROBERT CRANE examined.

351. *The Chairman.*] What are you?—I am an auctioneer. I hold 2,000 acres under occupation with right of purchase, about seven miles from Whangarei, and I pay 5 per cent. rent on a capital value of 7s. 6d. per acre. The land is swamp, and I intend to drain it for grazing purposes.
352. Is there any particular point you would like to bring before the Commission?—Yes. It is nothing in connection with my land. I want to bring before the Commission the position of the One State Forest Reserve at Mangakahia. There is a block of some 10,000 acres there, from which practically the whole of the marketable timber has been removed. As you are aware, after the timber has been cut out there is every danger of fire going in, and year by year the land is being ruined. It is unproductive as it is at present and no rates are coming from it, and settlers are not allowed to take it up. In consequence of these fires and no grass-seed being sown the land is coming up in tea-tree, fern, and noxious weeds. One settler has a place adjoining, and he applied for 50 acres under the squaring-up clause. He was granted a lease from year to year, but the Board would not allow him to cut any lines, and the consequence was that he could not make any use of the 50 acres. We would like the Commission, if they can see their way clear, to recommend that some special Act be brought in to enable this land to be thrown open for selection. I feel the whole of it would be taken up readily. In connection with the removal of this timber, if a royalty of even 1d. had been imposed, as I heard suggested yesterday, on the timber taken out of this block, which comprised some 7,000,000 ft., it would have produced £300. If that money had been used towards the roading of this district, it would have been only right and in the interests of the district from which the timber was taken. But, as the Hon. Mr. Hall-Jones stated last evening, he thought it most likely the Government would bring in a Bill to give half the timber royalties received to the local bodies. In the special instance I have quoted a royalty of 3s. was received from the timber. There is another block not far from there containing 25,000,000 ft. of timber. Tenders have been called for cutting it, but no one has been granted the right to cut yet, and we do not know what is going to be done with it. If the local bodies could receive a portion of the royalty from that timber, it would be a great help towards roading the country. I think if the 10,000-acre block was thrown open it would soon be worth £2 to £3 per acre. Settlers generally have a great objection to touching land that has been in bush and burnt and not sowed and is coming up in tea-tree, and that is the state this land is rapidly getting into.
353. Is there any other point?—In connection with the loading of the lands of the north, I may say some 10,000 acres have been taken up, and all the land has been loaded at the rate of 4s. an acre, and no money has been spent. Mr. Hall-Jones yesterday remarked that no money was being collected. That is quite correct; but I know two settlers up there, one with 2,000 acres, who is loaded at the rate of 4s. an acre, and has to pay interest on that loading, amounting to £16 to £20 per annum, and he has derived no benefit from it. The loading on the whole of the

block would be equal to £2,000 a year, but very little money has been spent. The roading would be easy to make, and the natural outlet for that country is into Whangarei.

354. *Mr. Paul.*] Part of the first forest reserve you mentioned is leased, but is it all on yearly lease?—I do not think there is any leased now. One man had a lease for fourteen years, but because he could put no lines in he threw it up.

355. *Mr. Anstey.*] Do you know if steps have been taken to throw open the 10,000-acre block for settlement?—I know an application was made to the House to have it thrown open, but nothing resulted from it.

356. Do you know if the Board have done anything towards opening it up?—No. Application was made to the House on several occasions, but I understand a special Act of Parliament is required to enable the reserve to be set aside.

357. We were told that the Board were at work trying to get the restrictions removed?—I have not heard of that.

358. You say some part of the royalty on timber should be devoted to road-making?—Yes.

359. Would you go further than that and say that the gum industry should contribute something towards the roads?—Certainly.

360. What would you suggest?—I think a royalty of so-much a ton should be imposed, and set aside to repair the damage done to the roads.

361. That would necessitate Customs duties at the port?—I think a way could be devised to collect it through the storekeepers who now collect the gum licenses.

362. Do you think the flax industry should also contribute?—Yes, I should say so.

363. *Mr. Forbes.*] Is there much land around here that could be cut up for settlement besides these State forests?—One block of 11,000 acres has been surveyed, and it will be thrown open shortly.

364. Do you think there would be a good demand for it?—I certainly think so.

365. Do you not think the block the Government are now throwing open will satisfy the demand, or do you still think it will be necessary to throw open these State forests?—I think they would all go if the money that is charged on these lands was expended on the roads. You cannot expect settlers to go away back unless they have some facilities for getting produce to and from their sections. If this money was expended I feel sure the land would be readily taken up.

366. Would it not be a businesslike thing to expend this money before it is taken up?—I should think the land would go off more readily. I think the biggest bar to settlement in this part of the country is want of roads.

367. Would these 10,000 acres be taken up under lease in perpetuity?—No; but the same way as the bulk of the land is taken up—namely, under occupation with right of purchase.

FREDERICK McDONALD examined.

368. *The Chairman.*] What are you?—I am a settler. I hold 900 acres under freehold and occupation with right of purchase on the Marua Homestead Settlement. I have been farming there eighteen years.

369. You began as a homestead settler, and you have got on fairly well, I hope?—I have battled away. I started with nothing, and I am alive and well to-day.

370. What tenure do you favour?—The freehold.

371. Is there any particular point you would like to bring before the Commission?—In regard to the settlement of the other land around here—that is, the second-class land—I think the homestead system would be far away the best method of dealing with it. From the experience I have gone through, I consider that the land is dearly bought without paying any purchase-money at all when a man goes out to these places and fetches them into cultivation.

372. *Mr. Paul.*] Is there a large area of the land you speak of which could be settled under that system?—Not a great deal of it in my district, but there is some.

373. *Mr. Anstey.*] Have you got good road-access to your section?—Yes; but I had not when I went there.

374. The loading on your section has all been expended?—Yes.

375. *Mr. Forbes.*] Did many go on the same land with you under the homestead system?—Yes.

376. Did it turn out satisfactorily with the whole of them?—Yes. I think in the whole settlement there was only one case where a man abandoned his section.

377. Would you attribute that to the system under which you were settled, or to the quality of the land?—To the system, because the quality was none too good.

378. Do you consider that this system would have the effect of settling this poor gum land?—I think if the Government could get people to go on the gum lands they should give them not only the freehold, but a bonus as well.

379. You think that is the only way of getting this land settled?—I do not know that it is the only way, but it would be a right and just way. The markets are a long way off, and the land requires an enormous lot of manure to produce anything.

380. You think that giving a man 75 acres of this gum land would not insure him making a success of it?—No, because 75 acres is too small even of the second-class land settled under the Homestead Act. I think the head of a family should have at least 300 acres, and if the individual members of the family were restricted to 75 or 100 acres each it would not be going beyond the mark.

381. Would you apply this to the first-class land such as Mr. Crane was talking about?—I think I would. I do not consider that the primary object is to get rent from the Crown lands at all. I think the object is to fetch them into cultivation and produce something from them. I consider the colony gains thousands more in having this land brought into cultivation than in any rent received from it.

382. Mr. Crane said that all the land would be taken up without giving special inducements: do you think that is so?—Very likely so.

383. Then, there is no necessity to bring the homestead system into operation in respect of this particular land?—I dare say not.

384. Does not a man going on to this poor land really need a good deal of capital?—Speaking of our settlement, none of us had much capital, and we have struggled through.

385. Do you earn a living off the land?—No. I have put hundreds more into the land than I have taken off, or that I will take off in my life.

386. Will there be the same facilities in the future of earning a living off the land as there have been in the past? Are not the kauri timber and gum disappearing?—Yes; but I suppose other industries will arise.

387. *Mr. Johnston.*] Would you give the Crown lands of the south away?—Certainly I would, every inch of it.

388. Have you been south?—Yes.

389. How is it that this land you are on has been so dearly bought, if you say the settlement is a success?—I went on my land when I was sixteen years old, and I am still on it, and I reckon I have put in the best years of my life on it, and I think you are old enough to know that the years between sixteen and thirty are the best years of a man's life. It is not the actual amount of money that is involved as much as the way we bury ourselves in the bush.

390. You do not bury yourselves in the bush any more than the settlers further south do?—I do not say we do; but we do it here, whatever they do in the south.

391. They do not get the land for nothing?—I say they are entitled to it.

392. *Mr. McLennan.*] Do you cultivate any of your land?—Very little. I graze mostly and dairy. I grow a bit of maize and fodder for the cattle.

WALTER GEORGE BARKER examined.

393. *The Chairman.*] What are you?—I am a settler at Marua, and I represent that branch of the Farmers' Union. I have 245 acres of freehold, and I have been there twenty years.

394. Will you just state what you wish to lay before the Commission on behalf of your friends?—I have no instructions from the union, because we did not know what questions would be put at the Commission. The subject I wish to bring before the Commission most prominently first, on behalf of the union and myself, is that we favour the freehold most decidedly. Second, in regard to the poorer class of the waste lands of this part of the colony, I believe if they were thrown open under some such system as the Homestead Act, with some modifications in regard to area and residence, it would be a very good thing. I also think that the land here should be placed in three classes, and not two only. This poor land should be called third-class land, and on these very poor sections I would not make residence compulsory. I would favour allowing settlers adjoining this land to take up blocks of it, and I would allow them to become freeholders by improving, say, one-twentieth part of the area each year for seven years. In most cases that would improve the whole of the land worth improving on these holdings. In regard to the constitution of the Land Board, I think one-half the Board should be elected by the local bodies in the different parts of the country. I think in all cases where a settler is so far back that his children are prevented from attending school the residence clause should be relaxed.

395. Would you leave that in the discretion of the Land Board?—Yes, provided the Land Board represented the district.

396. Have you had any experience in regard to the working of the ballot system?—I do not suggest any alteration in that.

397. Do you approve of the practice of loading the land for roads?—No. I think the land should be properly valued, and that the cost of loading a block should be estimated when it was surveyed, and I think the Land Board should hand over a sufficient amount of money to the local bodies to form the roads. The value should be put on the land as though it were roaded.

398. Have you had any experience in regard to the working of the Advances to Settlers Department?—No personal experience. I favour it, from what I have seen of it.

399. Is there any aggregation of estates going on in your district?—No.

400. *Mr. Paul.*] What local bodies would you say should elect a portion of the Land Board?—The County Councils would be the best bodies. They are the most representative bodies.

401. You have told the Commission what alterations should apply to the land laws in the future: do you wish any alteration in the existing contracts?—I would like to see every one get the freehold. I am in favour of the freehold without exception.

402. Would you favour an alteration of the existing contracts?—If it was necessary, but I do not think it would be necessary to alter the contract. I think the offer should be made to the settlers by the Government to allow them to acquire the freehold. I think it is for the general good of the country that settlers should be freeholders.

403. Have you had any experience outside this district?—I belonged to Canterbury.

404. Have you seen the working of the land-for-settlements policy in Canterbury?—I have had no opportunity of studying it at all.

405. In making these remarks do you apply them solely to this district?—To the North of Auckland, as a rule.

406. *Mr. Anstey.*] You do not favour loading for the purpose of roading land?—I am not in favour of the present system.

407. Is not your suggestion what is being done now?—No; there is a great difference between what is done now, as I have seen it. A certain loading is put on all sections, and settlers take them up under the impression that they are going to have a road; but the loading has been spent under the co-operative system, and the result has been that roads have only been put in half-way through the districts in many instances, and, again, a number of roads have not been touched at all. The settlers seem to have no appeal from this.

408. Then, your quarrel is not with the loading at all, but with the spending of the money. You mean to say that the money loaded on to this land has not been spent in the construction of the roads?—It has not been spent to the best advantage, I think.

409. *Mr. Forbes.*] Have you applied Canterbury methods of farming to this land of yours?—I tried them for the first few years, but I was obliged to give them up. A great deal of my land is ploughable.

410. What was your trouble when you ploughed it?—I will give you an instance. I ploughed a few acres in the beginning of summer, and in putting in the grass-seed just lately I put in 4 hundredweight of bonedust to the acre. I would be satisfied if I get half the crop off the land that I could get off Canterbury land without any manure. And the grass will only last three years. Turnips will not grow without manure. We cannot feed them off on much of the land, owing to the wet climate and the heavy nature of the soil. Maize generally is grown as a help to dairy-cattle. I have lived constantly on my freehold, except at times when I had to leave it to get money enough to keep the flour-bag going.

411. The freehold has not kept you going?—No; I have kept the freehold.

412. Would an area like this be too small to keep a man even if thrown open free?—Yes; and that is why I favour throwing open areas of land to enable settlers in the district to take up further areas.

413. Have you tried any grasses except English grasses?—I have not tried danthonia. I do not think it is much better than tea-tree. Paspalum, when you can get it to grow, no doubt puts a different face on the country and improves it wonderfully. I consider paspalum will be the saving of the north, but the difficulty is to get it to germinate. This year I put in 40 lb. of seed, and so far I have not seen a plant, and the chances are the whole of the seed will be lost, because it will not stand the cold and wet in the winter.

414. *Mr. Johnston.*] Was there any reason for your not staying in Canterbury, where you could get good grass?—I had a roving disposition.

415. Would it have paid you better to have stayed in Canterbury?—Yes.

416. *Mr. Matheson.*] Do you think that in some instances land worth 5s. an acre without roads might be worth 15s. per acre with roads, but to put the roads in would cost £1 an acre? Do you think the Crown would be wise to spend that extra value and sell at a loss?—I think so, decidedly. In the first place, these blocks of land are lying idle and paying no local taxation, and the local bodies are at a great loss to know how to road them.

417. *Mr. McCutchan.*] Do you think the settlers should bear the entire burden of the roading of these blocks?—I do not think so.

418. I understood you to say that you would value the land as if it was loaded, and sell to the settler at that price, and then the Government should put in the roads?—Yes. In many parts of the colony, I understand, the land has been roaded before it was offered for sale.

419. But under your scheme would not the settler have to bear the entire burden of the roading of these blocks?—I did not intend to convey that impression. I was under the impression that a similar system was in use in the Hawke's Bay district.

420. *Mr. McLennan.*] Can you say there is a demand among the Crown tenants for the option of the freehold?—I think so, with the majority.

421. How is it that they do not come before the Commission and ask for it?—I do not know about the other parts of the colony, but here there are very few settlers under lease in perpetuity. Most of us are freeholders. We do not believe in the lease in perpetuity.

422. Can you explain why, if there is this demand amongst the leaseholders, they do not come here and ask for it?—I think only two of the witnesses to-day, besides myself, are legitimate farmers, and they have both been leaseholders—*Mr. Hawkins* and *Mr. McDonald*.

423. But they are all freeholders now?—No; they have small sections of freehold, but the bulk of their land is held under occupation with right of purchase.

424. I mean lease-in-perpetuity tenants?—There are very few of them here.

HENRY WAKELIN examined.

425. *The Chairman.*] What are you?—I am a farmer, and the son of a tenant farmer in Essex. I hold land under three systems. I hold 37 acres of freehold at Kamo; I have about 63 acres leased from the Maoris there, and I have an interest in about 350 acres under lease in perpetuity in conjunction with my two sons at Towai.

426. What do you wish to bring before the Commission?—At the start I must say I am here to represent the Whangarei Branch of the Farmers' Union and several other district branches, who have asked me to voice their opinions. There is only one point I have to press for them, and that is for the option of the freehold. I have only found one instance of a gentleman who thought that the lease in perpetuity should be interfered with, but all those who come after should have the option of purchase. I have never in my life met a man who had to make his living out of the land who preferred leasehold to freehold. I would also advocate the reintroduction of the homestead system for settling this part of the colony.

427. *Mr. Paul.*] You do not wish in any way to alter the tenure of those who are already under lease in perpetuity?—It would be a good plan, I think, to give them the option of purchase by paying up the 1-per-cent. difference when they are able to.

428. And in future would you give them all that option?—Yes, so far as the north is concerned. My knowledge only extends to the North of Auckland.

429. *Mr. Anstey.*] Have you had any experience of the Land Board?—Not a great deal. I think they should be elected by the people.

430. Are your relations with them satisfactory?—I have no fault to find with them in regard to their dealings.

431. You would elect all the members?—I think so.

432. Have you had any experience of the Advances to Settlers Office?—From what I know, they are careful in making advances; but I do not think there is much trouble in getting money if any one has good security.

433. Your experience has been satisfactory?—Yes.

434. *Mr. Forbes.*] Are you earning a living on these areas of land you have given us?—I am under that impression. I have nothing coming from anywhere else.

435. It must be better land than a lot we have heard about?—So far as the leasehold land goes, of course, we are not getting a living off that; but I have helped my sons and they have helped me. I rear cattle at Kamo, and they go up to the run to be raised. I can tell you we can rear just as good cattle, horses, and sheep here as you can in Wanganui, but we cannot fatten as many to the acre.

436. Then, the land must be extra good in this part of the district?—It is second-class land; but the first few years of a bush farm is where it comes in.

437. Is it possible for a man to earn a living off 100 acres altogether?—I came here with six children in 1881, and I have paid twenty shillings in the pound. I used to work a bit outside my own place when first I came.

438. *Mr. Hall.*] Do you think it is sound policy on the part of the Government to interfere with existing contracts?—Not further than to give the option of purchase, if they want it.

439. Would it be right to upset that tenure and create a new one, and exclude outsiders from competing?—If an outsider comes in now he can come in on better terms than those who came in before.

440. *Mr. Matheson.*] Do you think the Crown holds any land in this county on 100 acres of which a man and his family could live reasonably?—I think 100 acres is too small. I have a small freehold of 37 acres, but unless it was exceptionally good I could not have come through. If it had been leasehold I would have been out long ago.

441. Into what size should the land be cut to enable a man to earn a living?—Nothing under 300 acres.

WALTER WEBB PULMAN examined.

442. *The Chairman.*] What are you?—I am a settler. I hold 680 acres under lease in perpetuity at Matapouri, on the coast, thirty miles from here. I pay £10 a year rent. I have held the land twelve years. I have a round-about road to it, and I have communication by sea. My land was heavily bushed. I have a portion of it cleared.

443. Are you satisfied with your tenure?—No. I ought to tell you I am the bearer of the following letter from a lot of the settlers there to the Commission.

“Matapouri, 18th May, 1905.

“To the Land Commissioners at Whangarei.

“WE, the undersigned settlers of Matapouri and vicinity, holders of land under lease in perpetuity, would respectfully inform you that we consider the best interests of the State requires that all leaseholders, when they have fully complied with the law in respect to residence and improvements, should have option of purchasing their holdings at the upset price at the time of settlement. We have instructed the bearer hereof to fully explain our reasons for this conclusion.—

Respectfully,

“W. W. Pullman.

G. C. Verran.

J. W. Langman.

C. Pullman.

Edgar Clements.

W. H. Woolley.

E. Clements.

A. J. H. Currey.

Hugh Ferguson.

Harold Clements.”

The reason, so far as I am concerned, and, I think, it is common with all of them, is that we feel that we cannot trust the Land Board with our interests. There is continual pressure being brought to bear through the newspapers to interfere with our tenure. I presume these men are representing some of the trades-unions, and a part of their platform is that our leases should be revalued. Now, I consider that I am not justified in going to a great deal of expense—I do not feel I am justified even in building a nice house, when I do not know I would not be subject to revaluation as soon as the house is built. It is all very fine to say that the land separate from the man has no value whatever. It is the man on the land who gives it the value. Generally speaking, the lands here in the north have no value separate from the men on them. Therefore, knowing, as I do, that the Land Board is not to be trusted, I demand the freehold as my right. When I settled on the land I supposed I could deal with the Land Board as with any private landlord, but I find that is not the case. I do not want them to give it to me for nothing, although it was valueless when I took it up. I am willing to pay for it. I may say that I am afraid the contract will be broken. There is a feeling of insecurity with respect to the leasehold. I am quite willing to abide by my agreement, but I am not sure that the Government will abide by theirs.

444. *Mr. Paul.*] On what terms do you want the freehold of the lease in perpetuity?—My land is valued at 7s. an acre, and I think, when I am prepared to buy it, I ought to be able to purchase it at 7s. per acre. I think, under all these circumstances, in my case, I am entitled to some consideration.

445. Are you prepared to pay the 1 per cent. difference between the occupation with right of purchase and the lease in perpetuity?—I am prepared to do anything that justice demands I should do in order to get the freehold.

446. What is the special condition in your tenure that interferes with good farming?—There is nothing that interferes with good farming, except the element of insecurity.

447. You are quite sure that this revaluation will take place?—I think so.

448. By advocating this alteration in your lease, do you not think you are opening the door for the very thing you do not want? You want something that will be decidedly in your favour, but somebody else might want something that they think would be just and proper from the point of view of the community, and they might get such an alteration made in the lease. Do you think you would have a good cause of complaint if such a state of things came about?—I look upon the

State as my landlord. I have made a bargain with it; it cannot in justice break that bargain. But the State has the right to come to me and say, "If you are agreeable, we will throw over this old bargain and enter into a new one."

449. But that is not saying "If you please." You come here and say that it should be done?—This Commission has come here to inquire into the matter, and I am giving it my views on the subject.

450. Do you think there is a fear that the freehold will be interfered with?—In the case of the freehold we have an ultimate Court to appeal to outside of the colony.

451. *Mr. Anstey.*] What is the cause of this feeling of insecurity in regard to the lease in perpetuity?—I have already said that I know the Land Board is not to be trusted.

452. What have been your relations with the Land Board?—They have been very good. I have nothing to complain of personally, but I have heard of injustice being done in other cases. I could have mentioned one instance where, in the case of the rent being in arrears to the extent of £15, forfeiture was declared, and serious sacrifices had to be made in order to pay the £15.

453. Suppose you had a freehold, and you did not pay the mortgagee his interest, would he not have similar power?—If I had a freehold that was mortgaged up to £200, and the mortgagee knew perfectly well that my interest was still £500, he would not foreclose the mortgage for £15.

454. Then, it is the administration of the Land Board you object to, and not the tenure?—As I have stated, if the lease in perpetuity is properly carried out I have no objection to it.

455. Then, there is nothing in the lease in perpetuity, provided you are absolutely certain that it is secure, that will prevent you making the best use of your farm?—My knowledge of human nature leads me to believe that there is too much temptation placed in the hands of the Land Board.

456. *Mr. Hall.*] Have you any reason to fear the insecurity of the 999-years tenure? Is it because of some agitation that has taken place?—It is the agitation, coupled with the weakness of human nature.

457. Supposing some irresponsible agitators, who would not themselves take up land to farm, were to agitate for the Government to confiscate the freehold, would you then fear the security of the freehold?—I would not fear it so much.

458. But is the lease in perpetuity not a freehold tenure for 999 years?—I supposed it was when I took it up.

459. *Mr. Johnston.*] In what way do you think the Land Board is not to be trusted?—They have always treated me very well, except in one case, and I suppose I was under a mistake in thinking they would allow the £15 of indebtedness to accumulate.

460. That is your trouble—the £15. I do not want any more about that. You say the land is not worth 7s. an acre?—It was not worth it when I took it up, but my improvements have made it worth 7s.

461. Then, why did you take it up?—You have asked me a bigger question than Pilate asked somebody else.

462. No; this is a matter of business?—A kind of madness sometimes takes people when they want to take up land.

463. Then, you were a bit mad when you took up this land. That will do. If it was not worth 7s. when you took it up why do you want the freehold now?—I have invested so much on it.

464. Is there any timber on the land?—No; I have sold it.

465. Roughly, how many square feet of timber was on the land?—A million and a quarter.

466. A million and a quarter feet, on land at 7s. an acre! That is not bad?—I got 3d. a hundred for it.

RICHARD CUTFORTH examined

467. *The Chairman.*] What are you?—I am a settler, and farm about 120 acres freehold. I have been a farmer in this district for twenty-three years, and have been forty-three years in the colony. My farm is about four miles from Whangarei.

468. Have you any special matter you would like to bring before the Commission?—No; I believe in the freehold tenure.

469. You have never had any experience of leasehold?—No.

470. Is your opinion in respect to the freeholds the general opinion of your neighbours also?—Yes, I think so. I think a man would be looked upon as a curiosity if he went to reside on the land and intended to make a living off it if he did not desire to convert it into a freehold, and I do not think he would make a very good tenant.

471. *Mr. Paul.*] Do you not think settlement could be satisfactorily carried out on leasehold land?—I do not think the leaseholder would ever be satisfied, and I do not think the settlement would be satisfactory.

472. Do you believe that the lease in perpetuity is quite secure?—Yes.

473. Are you acquainted with the terms of the present leasehold?—Yes.

474. Do you think a man could satisfactorily farm his land under leasehold tenure?—Yes.

475. Are you acquainted with land-settlement in the South?—No.

476. *Mr. Anstey.*] Are the leaseholders in this neighbourhood farming their land fairly well?—Yes; but there is scarcely one lease-in-perpetuity tenant—at any rate, very few.

477. Are they putting improvements on their land?—They have to improve.

478. Are they putting on the land as good improvements as the freeholders are doing?—I do not think so.

479. You think the freeholders would farm better and put more improvements on the land than leaseholders?—Yes.

480. Do you know of any freehold land near here that has been allowed to run to waste, and to be allowed to be overgrown with gorse?—Yes, some absentee-held land.

481. There are some freeholders who do not farm so well as leaseholders, are there?—The land is not farmed at all.

482. *Mr. Hall.*] Do you think it is in the interests of land-settlement that the right of purchase should be given?—Yes.

483. You think that in future the right of purchase should be given?—Yes.

484. You think that is in the interest of settlement and in the interest of the State?—Yes, as far as the North of Auckland is concerned, I think that is so.

485. *Mr. Johnston.*] Are you a member of the Farmers' Union?—Yes.

486. What is the number of members in this branch?—About twenty have paid their subscriptions.

487. You do not know anything of the land-for-settlements system?—No.

488. Supposing the Crown tenants said they did not want the freehold?—In that case I would let them remain as they are.

HENRY WOLFF examined.

489. *The Chairman.*] What are you?—I am a farmer, and farm 600 acres freehold and 340 acres leasehold with right of purchase. I have held the freehold for twenty-five years.

490. Which tenure do you prefer, the freehold or leasehold?—The freehold.

491. Is your land near Whangarei?—Sixteen miles from here.

492. Do you wish to bring any particular points before the Commission?—I think that two members of the Land Board might be elected and two nominated.

493. Under what franchise would you elect them?—By the farmers.

494. Would you not give the townspeople a voice in the election—say, the people of the Town of Whangarei?—I think they would all have to have votes.

495. Have you had any experience with the Advances to Settlers Department?—There has been some dissatisfaction because the settlers applying for money could not get what they wanted. I think the homestead system was a very good one. If it is to be brought into force again, I think a very good plan would be to road the blocks first, and then load the land at so much per acre for the cost of the roads. I think the selectors should have about three years free, and after that they should repay the amount for roading by yearly instalments. Simply to settle people on the land without roads is not satisfactory. It is a very great drawback to settlers when they have no roads and they have to pack everything on horseback.

CHARLES EDWARD HEYWARD examined.

496. *The Chairman.*] What are you?—I am a settler, and hold 1,800 acres under various tenures. I have 1,000 acres freehold, 75 acres lease in perpetuity, 120 acres occupation with right of purchase, and the balance is an education reserve.

497. Which tenure do you prefer?—The freehold.

498. Is the education reserve a lease for twenty-one years?—Yes. I think it would be much better if the education reserve were taken over by the Government. The land I have just referred to is very hilly and is covered with dense bush, and a twenty-one-years lease is a comparatively short period, and before a tenant can make many improvements his time is almost up. I feel sure if a long lease were given, such as the lease in perpetuity or lease with the right of purchase, it would be better for the district and for the country.

499. Are you allowed improvements on the education lease?—On buildings and fences, but I do not think on clearing and grassing.

500. As regards administration, do you think the Education Board is satisfactory?—Yes.

501. Apart from the question of tenure, do you think it would be for the public advantage if the administration of these reserves were handed over to the Land Board?—Yes.

502. *Mr. Paul.*] Would a twenty-one-years lease with a right of renewal at an arbitration rental be satisfactory?—I think not. I think a 999-years lease would be satisfactory, but I am a freeholder to the backbone.

503. Why did you take up the 75 acres under the lease in perpetuity?—I have often wondered myself. I took up that land without giving much thought to it.

504. You thought it was not much inferior to the freehold?—That is so; but after thinking it over since, I prefer the freehold. It is an incentive to thrift.

505. Would you like to pay something for the privilege of changing your leasehold for freehold?—Yes, 2 or 3 per cent. I think something should be paid for the privilege.

506. Do you not think it might be as well to adhere to your bargain?—Yes.

507. Have you had any experience of land-settlement in the south?—No.

508. *Mr. Forbes.*] Have you had any experience of the Advances to Settlers Department?—A little.

509. Was it satisfactory?—Yes, but there was rather much delay.

510. *Mr. Johnston.*] Does farming pay well here?—It does not pay to employ labour.

511. Speaking generally, do you not think it is just as bad for freeholders to pay interest as for leaseholders to pay rent?—No; there is an opportunity for getting the freehold.

512. Are the settlers about here prosperous?—Yes; the district is prospering.

513. How much of your land is under English grass?—500 acres.

514. How many years has it taken to put the 500 acres into grass?—I have been here about twelve years.

515. *Mr. McCardle.*] Do you think it would be contributing to the success of the settlers under the lease in perpetuity if they were allowed the right of purchase at some future date?—Yes.

516. If he had that inducement it would urge him to greater exertions to acquire the freehold?—Yes.

517. If the settler were freed from all restraints by the Government and Land Board, would that be an assistance to him?—Yes.

518. In that case, would the lease, in your opinion, be equal to the freehold?—No; I think the freehold would be the best.

WILLIAM FRASER examined.

519. *The Chairman.*] What are you?—I am a settler, and hold 470 acres of freehold. I have held the land for about two years. Previous to that it was held by my father. It is nine miles from here. The greater part of my farm is in grass, and I engage in dairying.

520. Which tenure do you prefer?—Freehold.

521. *Mr. McCardle.*] Have you had any experience of settlers who have taken up land under lease in perpetuity?—I have heard opinions expressed on that tenure by some lease-in-perpetuity settlers, and they said they would rather have the freehold.

522. Do you think it would be conducive to their success?—Yes, I think it would.

523. *The Chairman.*] Is there any other matter you would like to bring before the Commission?—I think, instead of loading land for roads, the roads should be made into the Crown lands first. I think the money spent on surveying would often make the roads. I am here representing a branch of the Farmers' Union, and appear here together with Mr. Hawken.

524. *Mr. Forbes.*] It has been suggested by some witnesses that the settlers themselves should have an opportunity of making the roads: do you approve of that?—I think if roads are provided it would pay the settler better to work on his own section.

525. How are the roads here made, as a rule?—By co-operative labour, but sometimes the settlers make them.

526. *Mr. McCardle.*] Is there not a great objection—namely, that the roads sometimes get overgrown with weeds or scrub before settlement takes place?—I think the settlers should have the opportunity of getting on to the land as soon as possible after it is thrown open.

527. Is it your experience that land is thrown open far quicker in the north than in other parts of the colony?—I have had experience of surveying, and know the wants of the settlers. I know the expense of the present system.

WILLIAM HAWKEN examined.

528. *The Chairman.*] What are you?—I am a farmer, holding 343 acres of land, 46 acres of which is freehold and the balance occupation with right of purchase. I have been farming thirty-two years.

529. I understand you represent a branch of the Farmers' Union, and that you have some communication to make?—Yes, I am chairman of the Maungatapere Branch, and I have a copy of resolutions passed by a meeting of the branch.

Resolutions as follow, read by the Chairman: (1.) That this meeting protests against the present system of appointing members of Land Boards, and recommends that Land Board members be elected by the local bodies, the Government to appoint a Commissioner. (2.) That the freehold was the very best tenure, and that every settler had a right to acquire it whenever he was in a position to do so; that selectors of rural Crown lands should be allowed to have their choice of tenure, as provided for in the present Land Act, and that the Homestead Act should be reinstated; that holders of leases in perpetuity should be granted the right of purchase, on paying a sum equal to 1 per cent., with compound interest thereon, per annum on the original capital value of their holding. (3.) That only ratepayers should have a vote for the election of local bodies. (4.) That Land Boards should use their own discretion as to the enforcement of residence conditions on Crown tenants. (5.) That all unoccupied Native and Crown lands should be cut up and thrown open for settlement before any more private estates are purchased by the Government for closer settlement. (6.) That the Advances to Settlers Act is working very satisfactorily and beneficially. (7.) That this meeting considers the Government have broken their faith with the settlers in neglecting to spend the money which the land was loaded with for roading purposes; that it is unfair for the settlers to have to pay interest on money that was never spent; that the Government should take immediate steps to right this very important matter, as the settlers so situated are deceived and dissatisfied, and are suffering under a very great injustice—take the Mangakahia district for an instance.

530. In resolution No. 7, you say the Government have broken faith with the settlers in neglecting to spend the money the land was loaded with for roading purposes?—I do not know anything about that particular case, but I know there is an instance of the money not being spent on the Whatatiri Block, where the men are still without roads, and have been so for five years.

531. Do you know how much money was loaded?—I think about 5s. an acre, but I am not sure.

532. Can you assure us that none of it was spent?—If anything was spent it was very little.

533. Was the little that was spent expended by the Government or the local bodies?—I could not say.

534. *Mr. Paul.*] What local bodies did your meeting consider the Land Board should be elected by?—Whatever bodies might be in existence at the time—County Councils or Road Boards.

535. Would you deny the right of the townspeople to have a voice in the administration?—Any who were not ratepayers.

536. *Mr. Anstey.*] Can you not give us some further particulars about the Mangakahia Block and the loading of that block?—No; it was brought up at the meeting.

537. Do you think it fair to bring a charge against the Department without having some evidence to support it?—I know nothing about it personally.

538. Then you say the Government should purchase no more estates until they have settled all the Crown lands?—That was the opinion of the meeting.

539. Do you know anything about the estates that the Government have purchased, or the circumstances which have led up to their purchase?—No.

540. Is it not unwise to express an opinion under the circumstances?—I have merely given you the opinion of the meeting.

541. *Mr. Forbes.*] Do you say that a man holding a lease-in-perpetuity section has a right to acquire the freehold?—He has not a right until he is given that right, and we think he should be given an opportunity of getting the freehold.

542. *Mr. Hall.*] Is it not a fact that there are many first-class intending settlers who are not fitted to go on to the waste lands of the country, which are generally rough bush country, but who would make most desirable settlers on land which is partly improved?—The question is whether the greater advantage would accrue from settling the unoccupied lands or the acquired lands.

543. Are you a married man?—Yes.

544. Have you sons?—Yes.

545. If you lived in Otago where there are no Crown lands and your sons wanted to go on the land, would you prefer to have them settle near to you, or to go on to the bush lands of the north?—I should like my sons to take their own course in life.

546. You would not like to have your family around you?—Yes, if circumstances permitted. If not, no.

547. Is the membership of your union increasing?—It has not been formed very long, but it is steadily increasing.

548. Is it non-political?—Yes, it is entirely to deal with the farmers' interests.

549. *Mr. McCardle.*] You do not wish to do away with the other systems of land-tenure when you say you are in favour of the freehold?—No. I advocate that each man should have a free hand as to his tenure.

550. *Mr. McCutchan.*] Would you favour the Government taking control of the roads?—I would favour the Government taking over the main road, and leaving the side roads for the local bodies.

551. What tax would you put on the district to provide for this?—I do not think the district should be taxed, because the whole community reaps the benefits from the roads.

WILLIAM BRADSHAW examined.

552. *The Chairman.*] What are you?—I am a settler. I hold 150 acres on lease in perpetuity and 280 acres on lease privately, with the right to purchase. My place is at Waikaraka, and I have been farming ten years.

553. Which tenure do you prefer?—I should certainly like to have the freehold.

554. To what use do you put your land?—Simply grazing.

555. Is there any point you wish to bring before the Commission?—Yes, it is with regard to residence. I was working a few miles away from home in order to make a few pounds with which to improve my property, when I received notice from the Land Office asking me to show cause why I should not forfeit on account of non-residence. Now, I think if the Government wish to encourage settlement they should allow men to leave their homes for a time to go and work elsewhere without giving notice. There is no regular roadwork about here as there is in the Catlin's River district, for instance. Since the block was first opened and a section or two was taken up, it was closed again for some reason, and then it was opened again, and after a few more selections were taken up it was closed again. If there had been more settlers on the block they would have claimed to have a road.

556. *Mr. Paul.*] You say you prefer to have a freehold rather than the lease in perpetuity: would you be prepared to pay something extra for it?—I would pay the extra 1 per cent. of interest which has not been paid.

557. Has the Land Board treated you fairly?—I cannot say they have, because they have come upon me with regard to residence. However, as it is in our clauses, I have no right to complain perhaps, but I think they should give me a little more room to move in.

558. Did you apply to the Board to have the residence conditions relaxed?—Yes, and they granted me nine months' extension. I wanted eighteen months.

559. Did they refuse you any further relief?—Yes.

560. *Mr. Anstey.*] Which of the two conditions are most favourable to settlement—the one under the private landlord or the one under the Government?—The private lease is the most satisfactory.

561. Have you any restrictions in your private lease?—No.

562. Which do you consider the best landlord—the Government or the private landlord?—The private man every time.

563. With regard to loading for roads in the Mangakahia district, which Mr. Hawken has mentioned, how many acres were taken up there?—8,000 acres were taken up, and 4s. in the pound was put on for loading. There was about £150 spent on roads and tracks, and the rest of the money has not been forthcoming.

564. Are you sure you are correct?—I am pretty well sure.

565. Who was the money spent by?—I suppose it was spent through the County Council.

566. Can you give us the names of the particular blocks included in that area?—The Puna-katere, the Okanoroa, and the Kaiko Native Settlement also comes within the block.

567. *Mr. Forbes.*] With regard to this private lease of yours, can you pay off at any time you wish, and acquire the freehold?—I can buy it right out at any time.

568. When you took up your lease in perpetuity, had you the option of taking the land under the occupation with right of purchase?—Yes.

569. How did you come to take it under the lease in perpetuity?—That is more than I can tell you. I wish I had not.

570. Are not the questions of improvement the same under both tenures?—That may be; but if I had the choice to-morrow, I would rather have a lease with the right of purchase. I had been away with one of the contingents to South Africa, and when I came back I asked for eighteen months' grace to get my improvements done, and they only allowed me nine months, which I thought was very little, as I found it very hard to get them done in that time.

571. If your tenure had been occupation with right of purchase, would they have granted you any more?—Possibly not. I think it is a great pity the deferred-payment system was done away with.

572. *Mr. Johnston.*] Have you ever known a private landlord to reduce the rent?—Yes.

573. Have you ever had your rent reduced?—No.

574. Then, it is only hearsay?—Yes.

575. Have you ever known of Government lessees having their rent reduced?—No.

576. Not in the Catlin's River?—No.

577. How long were you there?—Nearly two years.

578. Do you mean to say you have not known that settlers there had their rents reduced?—The land was revalued.

579. Will you answer my question. Do you know that rents have been reduced there?—Yes.

580. What is the amount of your purchasing-clause in connection with the land you hold privately?—£120.

581. What did the land cost the lessor?—Nothing. It was an immigration grant.

582. *Mr. Matheson.*] Do you know whether any of the settlers in the Catlins River had to forfeit their sections at the time that these rents were reduced?—I believe in some cases it did actually go to that length.

—ALEXANDER POLLOCK examined.

583. *The Chairman.*] What are you?—I am a settler at Mangakahia.

584. Do you know anything about the loading of lands for roads there?—Yes. I believe all the land in the district I am in is loaded for roads, which we have not got. That is our grievance.

585. How long have you resided there?—About five years.

586. How much land is there in the Mangakahia Settlement?—About 10,000 acres.

587. Has it been all taken up?—Yes.

588. How much land have you?—497 acres under lease in perpetuity.

589. Is that about the average size of the farms there?—Yes.

590. How much was the land loaded for roads?—I think 4s. an acre.

591. Can you say that only £150 of this money has been spent?—I do not think it is the same district the other witness was speaking about.

592. Has the 4s. all been spent?—I do not think so.

593. Has any been spent?—We have a sort of main road, but apart from that there are no roads at all. I have not got a place I can get a sledge into, and some of my neighbours are worse off than I am.

594. Was the money that was expended spent under the local body?—Some of it, and some by the County engineer; but very little has ever been spent.

595. Has any representation been made about all the money not being spent?—We did send a petition to the Commissioner of Crown Lands, and we got a letter saying that the money was spent; but we knew differently from that.

596. Was the money spent at the wrong season of the year?—Yes; in the middle of winter.

597. Then, I suppose a good deal of it would disappear in mud?—Yes; the work there was simply a disgrace.

598. Was it under the co-operative system?—No; it was done by contract.

599. Is your lease-in-perpetuity tenure satisfactory to you?—No; I would prefer the freehold. I was well satisfied when I took the land up; but I consider the terms of our leases have been broken. The land was loaded for roads, and we have not got them, and are not likely to get them. Then, again, I and some of my neighbours took land on which there was timber, and we have had the money for that timber impounded, although there is nothing in our leases to that effect. There is one place on which there was kahikatea. I wanted all this timber, and they would not allow me to fell it and realise unless I paid 4d. a hundred. I said I could not do it, so I felled the timber and burnt it. They would allow me to burn it, but they would not allow me to sell it.

600. *Mr. Paul.*] You are quite positive this land was loaded for 4s. an acre?—I am not sure of the amount, but I am sure that it was loaded.

601. *The Chairman.*] Remember, you are on your oath, and you said previously that the land was loaded for 4s. an acre?—That is to the best of my belief.

602. *Mr. Paul.*] How do you know the amount for loading was not spent?—I could see it by going along the road every day. I could see the work had not been done.

603. In the first place, you did not know how much the land was loaded for to an absolute certainty, and therefore you cannot say whether that amount has been spent or not?—Very little has been spent, notwithstanding.

604. *Mr. Anstey.*] Was the money spent by the Government or the local body?—Part by the Government and part by the local body.

605. Which of the two local bodies wasted the most of it?—I think both of them have wasted it. It would be hard to tell.

606. How much do you think would be wasted: about 50 per cent.?—Yes, about that. The roads have been shifted two or three times, and there has been three surveys to my knowledge.

607. *Mr. Forbes.*] Is your land good?—Second-class land; 200 acres is very good.

608. Are you making a living off this land solely?—No. I am improving it, but I go away to work in the summer months.

609. Could you buy the freehold now if you had the option?—I think so.

610. *Mr. McCardle.*] Out of what funds was the Mangakahia bridge built?—I could not say.

611. What was about the cost of it?—I think, about £2,000.

612. Do you think it probable that this money for loading was used for building the bridge?—I do not know, I am sure.

WILLIAM BARKER RAMSBOTHOM examined.

613. *The Chairman.*] What are you?—I am a settler. I hold 30 acres of volcanic land, which I purchased from the Natives. It is about two miles the other side of Kamo.

614. Have you anything to bring before the Commission?—I have had some experience of taking up land from the Government for cash—occupation with right of purchase and lease in perpetuity—and I believe in the freehold and in the homestead system. I have boys growing up, and I would like to see the homestead system reintroduced. The timber and the gum industries are dying out. The people who took up land in the past were able to earn money at gum-digging or working in the bush, but my children will probably not have that opportunity, and I think the land should be given to those who will settle upon it. I have had one trouble in connection with a lease-in-perpetuity section I held, and that is that I had to pay for all the fencing where my section adjoined Crown and Native lands.

ROBERT YOUNG KERNOHAN examined.

615. *The Chairman.*] What are you?—I am a settler holding 591 acres under lease in perpetuity and 4½ acres freehold. I have held the lease-in-perpetuity section about six years, and I pay £14 3s. 8d. per annum rent. My leasehold land is situated at Mangakahia.

616. Are you satisfied with the tenure?—No; I believe we are on the verge of revaluation.

617. Is that from what you see in the newspapers?—There are other causes. I hold that the contract made between myself and the State has been broken by the State. I took up my land for 999 years, believing that I had the sole right to that land and all it produced during that term. Two years afterwards I wished to remove and realise upon a small portion of the timber growing on my land; but, to my surprise, I found that I had to apply to the Commissioner before I could remove the timber. I did so, and my application was refused, unless I would pay 1s. a hundred for that timber. I journeyed to Auckland and interviewed the Commissioner, but he said that was the law. I said I would not pay him 1s. a hundred, and that I would submit the case to arbitration. He replied that he had only a limited amount of time, and he would not entertain it. Eventually I said, rather than waste any further time over the matter, I would submit to paying 6d. a hundred, and this he agreed to. I claim there has been a breach of contract, and I now claim the right to purchase my holding.

618. I am afraid your argument will not hold good, Mr. Kernohan?—Very well, I would be only too pleased to test it.

619. Do you know anything about the loading for roads in your district?—No, I have not made it a study. I have been there about six years, and have no road to my place. I have expended nearly £500 up to the present time, apart from my own labour and trouble.

620. *Mr. Paul.*] Would the capital value of that land have been higher if you had had the right to the timber?—No. When I took the land up the timber was valueless, but when it increased in value the Land Board seemed to think I had no right to it.

621. Did the timber become valuable in two years?—Yes.

622. *Mr. Anstey.*] Was nothing specified in the lease about the timber?—No.

623. *Mr. Johnston.*] Your lease says you have taken the land under such-and-such an Act. Might not one of the Acts mentioned reserve the timber for the Crown?—Yes; but where is my security of tenure.

624. Do you think the Crown should give the right to purchase to all its tenants?—Yes. If the land was my own I would take a much greater pride in it, and I believe it would benefit the community also.

625. *Mr. McCardle.*] Are you not aware that the conditions attempted to be imposed by Mr. Commissioner Mueller have been upset, and that it has been shown that he had no right to prevent you from taking the timber?—Yes, I am aware of that.

626. *Mr. McCutchan.*] Was it not the intention of the Land Board to place the royalty on the timber to the credit of your rent?—Yes.

627. The Commissioner wanted to charge 1s. royalty, which was to go against your rent; but your suggestion was that you should get 6d. direct?—Yes. As to my land which adjoins what is called the State forest, I am placed in a difficult position with regard to my boundary, which is a very crooked creek. I applied to the Land Board three years ago for 50 acres under the squaring-up clause, and I have been met with a refusal, on the ground that the Board has no power to deal with that land. When I erect my fences on the proper boundary they are carried away by floods, and I wanted this 50 acres of land to give me high ground on which to erect a fence. There have been hundreds of acres of this land burned, and I have reason to believe there had been overtures made to the Board to sow it. I have offered to sow it, but have been refused, and the consequence is that fern and tea-tree are coming up, which will take years to eradicate. These lands are lying idle and covered with noxious weeds. The land has been denuded of all marketable timber.

628. It seems there is a modification of the law required to enable the Land Board to deal with forest reserves, in the interests of the land itself and boundary-fences, &c. Under what Act did you take up your land?—The Act of 1892.

EDWIN GRIFFIN examined.

629. *The Chairman.*] What are you?—I am a settler at Mangakahia. I am interested, with my brother, in a section of 500 acres held under lease in perpetuity. I have been in the land six years. The original rent was £17, but we got a rebate of 10 per cent.

630. Have you cleared any of that land?—Yes; 70 or 80 acres of standing bush.

631. Have you got it in grass?—Yes.

632. Is the grass holding well?—Yes, so far.

633. Are you satisfied with that tenure?—No; I feel it is insecure.

634. Will you state in what way you feel it is insecure?—It seems to me that these townspeople are agitating that all Crown leases should be revalued.

635. The townspeople may have that opinion, but I do not think they will turn the world upside down, all the same?—No; but most of them have not had much experience of land. If they had been with me for the last six years on my place, with no road whatever except on paper, they would know what it was. I have no outlet to the main road.

636. Have you any neighbours in a similar fix to yourself?—Yes.

637. Are the roads as laid off practicable if they were made?—Yes, they have very good grades.

638. They have not even been formed?—No; the bush has just been felled, but it is often on a sidling. I offered a man here 10s. a hundredweight to cart grass-seed from Whangarei to my house, but he would not take it on.

639. How much is accruing as “thirds” from your rent every year?—About £5.

640. And is there about the same amount from your neighbour, who depends on the same road?—Yes.

641. Has none of the money been expended on that road?—It is said that a little bit of road from the main road has been done out of “thirds.” Besides this amount, we paid £4 10s. in rates this year.

642. What would it cost to form, say, a 6 ft. track into your section?—I could not say. I remember, six years ago, we felled bush and formed a 6 ft. track, and I think we got 8s. a chain for making the side-cuttings, and £1 5s. per acre for the bush.

643. You say you have two miles and a half to make, and that would mean 200 chains, and at 8s. per chain it would cost £80 to get this 6 ft.-track, and the money that is available from rates and “thirds” from your place and your neighbour’s comes to about a fourth of that amount?—Yes.

644. It does not seem very hopeful for you even to get a bridle-track?—But we presumed from the price put on the land that some money would be spent on the roads, so as to give the settlers some inducement to go back. I have been there six years, and I have not had a month’s holiday, and I am beginning to get a bit worn too. In regard to the block of land up the Mangakahia River, I may say I spent several months on it with a survey party, and I know the land. I think it is too dear. I would not mind selling out my share in my property to my brother and taking up land there at a reasonable price, but I would not touch it at the present price. The value seems too high altogether, considering the disadvantages attaching to the land.

645. *Mr. Anstey.*] Was any loading put on the block you are occupying for roads?—I do not know. The land was lying open for selection twelve months before we took it up. At that time things were very low, and nobody troubled, but since then cattle and butter have been selling very well, and there seems to be a demand for land.

646. Would it not be as well if you inquired about the loading?—It would be a good idea, because I do not know whether loading was put on it.

647. Could not the “thirds” and rates you and your neighbour are paying be spent gradually in making a formation to reach you?—Some have been spent. I think more than £20 was spent last year.

648. *Mr. Hall.*] Do you seriously question the security of your tenure?—Yes, I do.

649. Can you imagine that any Government, for no good reason or for any reason, would break down a title entered into for land?—I do not know. What did a previous Government do but issue titles to these big estates, which, I understand, can be taken under a compulsory clause in the Land for Settlements Act.

650. That is not breaking a tenure, but taking land for public purposes, and giving full compensation for it, and if they took your leasehold in the same way they would have to compensate you fully not only for your lease, but for your improvements and any loss that you had sustained in losing the property: that is not breaking down a tenure?—Of course, the owner has a representative on the Arbitration Court. But farmers have not got the opportunity to combine that people in the towns have.

651. Do you think any meetings in the town will affect your tenure?—I do not know. I certainly do not like the look of things.

652. *Mr. Johnston.*] What is the nature of your land?—It is all hilly, bush land. I have, perhaps, 50 acres of flat. I pay £17 per year rent, and there is a rebate of 10 per cent. I have sixty head of cattle on the place now for the winter, and nine sheep and two horses. Sheep do not do well on it. I have sown nearly all the grasses mentioned in Yates’s catalogue on it.

653. Which grass came best?—For carrying stock and sticking to us in the winter we find tall fescue best.

654. How did the bush burn?—Very well. Of course, we felled it properly.

655. Is it usual to get a good burn?—Out there it is, but not nearer here.

656. You have a river frontage. Is the river navigable for a steam-launch?—In the winter-time it is up to our section, but you cannot always depend on it.

657. Do you expect to be able to carry more than sixty head of cattle on the place?—Yes. We are putting more land in grass now.

658. Do you think the land will carry about a sheep to the acre?—I dare say it will.

659. *Mr. Matheson.*] Do you know that through your local body you have power to raise a loan and form a road, and use the “thirds” to pay interest on the loan?—I did not know we could use “thirds” to pay interest on a loan, but I understood the local body had power to raise a loan.

WILFRED MAY ATKINSON examined.

660. *The Chairman.*] What are you?—I am County Engineer. I have held the position two years and a half.

661. Did you hear some of the evidence about the Mangakahia Block?—I heard the early part of it. I know the block and the road-lines.

662. You have expended some money there, I am informed, and I hope you will see your way to spend some more, because Mr. Griffen and others are in a bad way for want of a road?—Yes; I think he is about the worst. The road-line leading to his place was on a ridge, and then it was deviated, and an 8 ft. bridle-track was formed until it struck the flat. On the flat a bullock-road is at present in existence, and nothing can be done to the bullock-road until the timber workings are finished. One bridge could be put up, and it was let last year to a contractor, but he wanted to get out of the district, and the work was not done. We have, roughly, something under £10 due for this road, but £5 has not yet been received from the Land Receiver. There is a tidal-river frontage to this section; but, really, it is about the worst situated on the whole block. All through the block, except in one or two places, I think you can take a dray in the summer-time. I have gone into the question of roading with the settlers at Mangakahia. They had an idea the money was not being spent. Since I have been here I have looked into the expenditure by the late engineer, and, so far as I can find out, the settlers have had all the money that was due, and we reported so. I think Mr. Griffen and Mr. Birch are the only two settlers who cannot get a dray into their sections, and it is simply on account of these skids. However, this time next year, if they have removed the skids, I will undertake to see there is a road through. I would like to point out, as far as payments to the Land Fund are concerned, that I find Mr. Griffen paid £2 3s. 6d., which is his half-yearly return of "thirds" to us, into the Land Board by the 31st January, this year, but that on the 31st July, 1904, he did not pay anything. I find Mr. Birch paid nothing on the 31st January, 1904, and nothing the half-year before. And yet settlers often wonder why we do not spend the money. There was another settler who did not pay any rates, but he sold some timber, which went in payment of the rates. But the County Council did not receive anything of that, and the settlers do not seem to recognise that fact.

663. Several witnesses said that the Mangakahia Block had been loaded to the extent of 4s. per acre for roading, and that the money had not been spent?—I presume if any loading was put on the land it has been spent by the Roads Department. It has not come to the County Council since I have been here.

664. *Mr. Paul.*] A statement was made here to-day that some of this money was spent in mid-winter, when there were I do not know how many inches of slush, and that a good part of the money was wasted?—There is a reason for that. I wanted the work left over to the spring, but the settlers were very urgent that the money should be spent at once. I suppose they thought if the work was not done then it would not be done at all. A certain sum was spent, but it was not done at my request.

665. Then, briefly, you did the best you could under the circumstances?—Yes.

666. *Mr. Anstey.*] There are a number of Road Boards in the county?—Yes.

667. Do you think that is an economical way of administering public funds? Do you not think that one body would administer the funds more economically than two?—Certainly.

668. *Mr. McCutchan.*] Is it the custom of your Council to do work on overdraft?—I never interfere with the financial part of the business. I do not think there is much overdraft. I only deal direct with Government grants, subsidies, road funds, and "thirds."

WILLIAM HENRY RHYS examined.

669. *The Chairman.*] What are you?—I am a clerk. I have been in the colony and in this district five years.

670. Are you concerned about land in any way?—I held 100 acres until six months ago. I hold 10 acres of freehold now, which I purchased privately.

671. What do you want to bring before the Commission?—Coming here from England, and having had some considerable experience of land in different countries of Europe, and having studied the land laws here and been attracted by them, I came here to seek a home. This was the first place I came to to seek land. What struck my attention most forcibly was the derelict state of the land I went to look at. The land I ultimately purchased had been heavy bush, which had been cut down thirty years, but had never been stumped. It was quite overgrown with gorse, ranging from 3 ft. to 14 ft. high. Nearly all round me was other land in precisely the same condition. Much of this land had been under the plough, and, being held by private individuals and under freehold tenure, they had denuded the land of nature's manure and left it. It seems to me that any tenure that will commit a man to deal with land in such an unjust way requires alteration. I think such treatment of the land is an immoral act to the citizens round that owner and to the nation of which he forms a part. It is a common state of things in this district. Hundreds of acres of land are held in that condition under the same tenure. The owners hold the land merely for the enhancement in the value given it by buildings and roads and improvements going on around them, and then they sell. It seems to me this is a thing your Commission should take a note of. I brought a certain amount of capital into the country, and it seems to me that capital has been almost wasted in reclaiming land which should have been reproductive almost immediately. I had to spend a great deal of money in undoing the evil effects of the former proprietor. I want to refer to people holding land merely for an enhancement in value in the towns with the one idea of gain and grab. These sections they hold produce nothing but noxious weeds, the seeds of which travel, and the farmer who is cultivating his land in the vicinity has to contend with these weeds. Another thing which has struck me in connection with colonial land dealings is the vast number of landsharks in Auckland, who get a living merely out of the exchange of land. Land seems to be viewed as a commercial commodity instead of the basis of natural life.

In a French colony, when a man makes a home, he does so not for himself or his children, but for his grandchildren. I will challenge any one to point out a farmer in this district who has laid out a home for the present generation, much less for a future one. I am a leaseholder in principle. I do not believe in the private ownership of land, because the land is a limited quantity, and the people are not limited. As to the question of freehold, in reality I should say there are very few who are freehold here. I say not 10 per cent. of the freeholders in this district—and I suppose it is practically the same in other places—can say, “that is my land,” so the freehold is really a myth.

672. *Mr. Paul.*] You think the state of things which existed before the inception of the freehold exist to some degree now—namely, that the interest on mortgages was more than a rack-rent in some cases?—I know it was in some cases.

673. You hold a freehold, and some people say it is inconsistent to hold freehold and advocate leasehold: how do you reconcile the two? Do you think a man should do whatever the law allows him to?—If you place me in a country with a river all round me and abolish all the bridges except one, I must use that bridge. I could not get a home unless I went right out. I will not rent land from a private landlord, but I will rent it if I can get it in a suitable place from the Government. All I need is security of tenure.

674. Do you think the lease in perpetuity secure?—Most certainly I do.

675. One witness said leaseholders resemble slaves, or that there was something in the condition of leaseholds which made them partial slaves; in your experience, have you found that so?—It is lack of knowledge.

676. *Mr. Anstey.*] You told us of the dreadful effects arising from freeholders neglecting their land: what would you suggest as a remedy?—That a man should not hold land unless he uses it and does not abuse it.

677. Would you confiscate such land?—Yes, I think I would, because the land is the peoples', and if he is misusing or abusing the peoples' property the people as a whole suffer.

678. To whom would you give the power to say when the land should be confiscated?—The State would have to decide.

679. Do you think the system of rating on the unimproved value would assist matters?—It would materially assist.

680. *Mr. Forbes.*] Were you able to make a living off the 100 acres?—Yes; but the money I spent in bringing the land into a state of productiveness was out of all proportion. My experience proves to me that it would be infinitely better to start farming in England than under such conditions.

681. Is much of the land round about here in the same condition?—Very much.

682. Is it in the hands of absentees or of residents here?—Residents.

683. And the gorse is spreading from these lands to other lands?—Yes.

684. *Mr. Matheson.*] Do you think it would be a good thing if all the country and town lands in New Zealand was occupied by Crown tenants?—I do think so.

685. There should be no freeholders at all?—That is my conviction after much thought and study.

686. *Mr. McCardle.*] Did you farm the 100 acres and make it a Garden of Eden?—I do not know about making it a Garden of Eden, but I reformed the face of the land absolutely.

687. Whereabouts is it? I would like to see it?—It is at Kamo, and I would be very glad to take you out there to-morrow.

688. Is the man who took up your farm doing as you did?—I do not think so.

KAIHU, TUESDAY, 23RD MAY, 1905.

JAMES TROUNSON examined.

1. *The Chairman.*] What are you?—I am a settler, and hold a pretty large quantity of land, but it is principally on account of the timber rights. I hold 5,000 acres freehold altogether. I have held a large portion of this land for about fifteen years. About ten years ago I bought 3,000 acres of the railway endowment. I am and have been engaged in the kauri industry, and have a mill of my own. I also hold some land for grazing bullocks.

2. Is there any particular matter you would like to bring before the Commission?—I came to New Zealand with a number of nonconformist settlers forty-three years ago—the Albertland settlers. I was induced to come here with others at that time on account of an offer of 40 acres of freehold, and in order to become a settler on freehold land. I do not suppose that I or the other settlers would have come to New Zealand but for that offer. I settled in the bush at Paparoa, in the Kaipara district. I have always been in favour of the freehold. I have done business with settlers from the North Cape down to Auckland, and I have never known a successful settler who was not in favour of the freehold. I also wish to draw attention to this: that a man buying bush land from the Government is handicapped under the system of rating on the unimproved value. Such a settler desires to keep the timber for his mill, but the rates fall very heavily upon him.

3. Are the rates levied on the unimproved value?—Yes. To remove the timber would be to remove the value of the land, and year after year the rates are being levied on the standing timber, whilst a number of us who have mills would like to keep the timber. For instance, I have a mill here, and if that mill were removed a lot of people would have to leave. The rating on the unimproved value has just come into force in the Hobson County, and it is already in force in the Hokianga County.

4. You are in this position: that you have to pay these rates, and that forces you to cut the timber off much earlier than you otherwise would?—Yes. Year after year we have to pay these rates. I understand that in the south they do not charge rates on standing timber, but we here are charged rates on standing timber, and it falls very heavily upon us. I would like to also say this, that I and many others have an objection to drapers and other people living in the towns, who know nothing about land-settlement, wanting to make laws in regard to the settlement of the land. The settlers on the land know better how to deal with it than the class of people I have referred to.

5. But, as members of the community, they have a right to give their opinion on the subject?—Yes, but they want to rule the roost.

6. *Mr. Anstey.*] You object to the rating on the unimproved value?—I do not go so far as to say that we object.

7. Do you think you ought to be exempt from paying a rate on the timber?—Yes.

8. I presume you use the roads for the timber you cut?—Not very much.

9. Do not the timber wagons spoil the roads?—Scarcely at all in the case of kauri timber. We do not use the roads for the timber I own.

10. Have you any leasehold land?—Yes, 40,000 acres as a gumfield area. I run fifteen hundred sheep on a portion of that land.

11. You have no leasehold property?—No.

12. Have you ever farmed any leasehold property?—No.

13. *Mr. Forbes.*] It has been stated to the Commission that there is a lot of wear-and-tear on the roads caused by the heavy timber wagons: are the roads not of service to those engaged in the timber industry?—They are of service, but the land pays the rates just the same as the land of other settlers. In my case, in the Hokianga County, where the heaviest rate exists, all my kauri timber comes down the river, and yet we pay very heavy rates on the land, apart from the standing timber.

14. I suppose an adjoining settler without kauri timber on his land will not be valued so highly as a settler holding land with kauri trees upon it?—I do not object to paying rates on the value of the land, but I do not think we should be charged rates on the green, standing timber, for as we remove that timber from year to year we are taking away the principal value of the land.

15. After the timber is removed, do you think the land ought to be revalued?—The land has a value now of 10s. an acre. We pay on that, but then we also pay very heavily on the standing timber—twenty times as much as we do on the land.

16. Is that a separate valuation?—Yes.

17. You said that you object to drapers and other people wishing to make the land laws: do you admit that they have a right to say something about the laws affecting the land in the towns?—Yes.

18. You think they ought to confine their attention to land in the towns?—I do not say they ought not to have some voice in the matter of our land laws, but they outnumber the settlers in the country, and they are misleading in their statements, because they do not know what they are talking about. If I and other settlers went into a draper's shop and said, "We can manage this shop better than you can," they would call us fools. I have served an apprenticeship on the land for over forty-three years, and I claim that I know more about the land than a draper can possibly know.

19. *Mr. Matheson.*] Do you think it is an injustice that the value of your timber should be added to the unimproved value of the land for rating purposes?—I think so.

20. *Mr. McCardle.*] You appear to have good country around here?—Yes, some good country: but the hilly land is poor.

21. What is the value of the improved land under grass?—I suppose some of the best alluvial land would be worth about £10 an acre—that is, land close to the river.

22. Are there many new settlers coming to this district?—There are a lot of new settlers between here and Hokianga. I think there is a good field for settlement on some of the bush land, because when the bush is felled some of it will make very good grass land, and a considerable area of that land is now in the hands of the Government.

23. Are there any large blocks of Native land in this district suitable for settlement?—Not many.

24. A block of 12,000 acres of land was pointed out to us as we came down the river last night; do you think it is suitable for dairying?—I think portions of it are.

25. Do you think it would be a good thing if some land such as that were taken up by the Government under the Land for Settlements Act?—I think the land is good land. I would not put settlers on poor land on any account.

26. Have you had any experience of the Advances to Settlers Department?—No; but I think it is generally favourably looked upon.

27. *Mr. McCutchan.*] In advocating the freehold, would you be in favour of leaving the present optional tenures upon the statute-book?—Yes.

28. If you gave the right of purchase to the lease-in-perpetuity tenants, would you not compel them to pay the 1 per cent. difference and the interest on the 1 per cent.?—I cannot see why they should be compelled to pay 1 per cent. more for having the option.

29. Would you reduce the 5 per cent. to 4 per cent. in the case of the optional tenure—that is, the right of purchase?—I consider that you should make the right of purchase 4 per cent. I think that if you give a man the land for nothing, if he makes certain improvements, it would be a good thing, because it would give him some stimulus to work the land, and would compel him to make improvements. I believe in the homestead system.

30. In speaking of your objection to rating on the unimproved value, you said that the kauri timber is valued apart from the land?—Yes.

31. Are not the Government assessments made in this way, that the land itself is valued, and the improvements are valued separately?—Under the present system you pay on the standing timber, as well as on the land itself.

32. Is the amount of the unimproved value, or the rate on the unimproved value, such as to make you think of sacrificing the timber?—It is enough to make one think seriously about it.

33. *Mr. McLennan.*] Do you think the kauri-gum and the timber industry are detrimental to the settlement of the land in this district?—I do not think so.

34. You said that the freehold is the most successful tenure?—Yes.

35. Have you had any experience of land taken up under the Land for Settlements Act?—No.

36. Then, you cannot say whether those settlers improve their land as well as freehold settlers? I cannot say. I consider, however, that there is more inducement to improve holdings under the freehold system than those held under leasehold. A man holding a freehold can sell to whom he likes and when he likes.

37. Do you not think that tenants under the Land for Settlements Act do the same thing?—No. For instance, they cannot sell a right for a road without reference to the Government. They cannot register that right.

38. Do you mean to say that a road cannot be taken through a leasehold property under the Public Works Act?—That would be very expensive. County Councils and Road Boards are very shy of dealing with land under that Act.

39. Then, the same remark applies to the freehold?—Yes.

40. *Mr. Paul.*] Are you using the timber on this land?—Yes, sufficiently to keep the mill going; but I have large offers even from Sydney for logs, and offers at a better price even than those paying duty, but I am not disposed to sell the logs. I wish to keep the timber for the industry.

41. In the meantime, I suppose, the timber is gradually rising in price?—Probably it is.

42. Can you give any approximate length of time it will take for this timber to be worked out?—I think I have timber of all classes that will probably last me for twenty years.

43. Is leasehold land in this district increasing in value?—I do not know.

44. What is your opinion with respect to the constitution of Land Boards?—I think the Land Board gives pretty general satisfaction, but I consider that County Councils should have greater power in respect to the land.

45. Do you think that occupation with right of purchase is better than the lease in perpetuity?—Yes.

46. Do you not think it is only fair that a man taking up an occupation-with-right-of-purchase section should pay something more for it?—I do not see why he should. I consider that if a man is a valuable settler it is a good thing to encourage him in every way, and even give him the land, and not cripple him with rates and taxes. I believe there is no system equal to the homestead system under which land is given to a man on his making certain improvements.

47. Do you think it might be a good thing to give every man in the community 40 acres of land?—Not unless he made certain improvements, and proved himself to be a capable and *bonâ fide* settler.

48. Would you, in the case of certain land in this district, give men a bonus to take up the land?—No.

49. Is it not a fact that in many parts of this district land has been sold at 15s. 6d. and 17s. an acre, and that more money has been obtained by selling the timber than the original price of the land?—That might be so.

50. Do you think it would promote good settlement to give that class of land away?—I would reserve all timber rights, except such timber as would be useful for settlement purposes.

51. It has been represented to us that settlers think that in getting the land they should have the absolute right to all that is in the land and on the land?—Generally speaking, they would be entitled to that. There are certain blocks near the Wairoa River that are quite accessible, and I think that land should be reserved, but on much of the other land the timber is not of much value.

JOHN TUOHY examined.

52. *The Chairman.*] What are you?—I am a settler, and hold 10 acres of freehold at the junction of the Waima and Mangatu Creek. I have been there about six years. I formerly held a larger freehold a mile further on, and took up this smaller area with the view of making it a paddock. I sold the other land and retained this. I was a bushman for some years, but during the past two years I have been carrying on business as a dealer and a settler.

53. What tenure do you think is best in the interests of the country and of the settlers?—I am strongly in favour of the lease in perpetuity.

54. Have you observed the working of that system in any other place?—Only in the north, and principally in this district. There are a few holdings here under that system.

55. Is there any particular point you would like to bring before the Commission?—I would be inclined to do away with the residential clause, and compel the settler under certain circumstances to make double improvements.

56. You would not require residence?—I think the residential clause tends to, in a way, handicap a man. For instance, I myself would be prepared to take up a block of land if it were not for the residential clause. If I took up the land I would have to go elsewhere for work in the summer. If I were not allowed to do so, it would mean keeping me a longer time from making a home on the land than if I were allowed to do some outside work.

57. But as long as that land was your home there would be no objection to your going away now and again and doing work elsewhere?—A man has to sometimes go a considerable distance for work when he takes up land in the back blocks, and it is not desirable or safe that he should leave his family unprotected.

58. What is your experience with respect to the Advances to Settlers Department?—I started as a poor man and made a certain number of improvements on my land, but found I could not carry on successfully and meet the interest on the mortgage, and, as I had no capital, I had to leave my place for a good part of my time in order to get work. I thought that by getting an advance from the Advances to Settlers Department I would be able to clear off my mortgage and have sufficient money to carry on my farming operations without leaving my home. My place was valued at close on £1,000 by the Government valuer, and I applied for a loan of £600—£400 to pay off the mortgage and £200 to work on. My application was refused. Eventually, through not having any money to work on, my load became too heavy, and I had to sell the place for close on £1,000.

59. *Mr. Austey.*] Is there much Crown land in this neighbourhood suitable for settlement?—There is a block of 7,500 acres within a mile of the township. I think that land should be opened up, and a request has been made to the authorities to have it opened up. About six miles from the Mangatu there are one or two blocks of Government land that might be opened up for settlement. I consider that in this part of the country the land ought to be cut up into about 500-acre sections.

60. If that land were thrown open would it be readily taken up under lease in perpetuity?—I cannot say.

61. With regard to your freehold land, if you had taken that up under lease in perpetuity would you have been able to continue holding it?—Yes, because I would have had my capital to work it.

62. Therefore, the freehold is no use to you in that case?—No, not as far as assisting me to hold the land was concerned.

63. Could you have held it much better under leasehold than freehold?—Yes.

64. Do you approve of the ballot, or what system do you advocate?—I consider that after land is applied for the leasehold should be put up to public auction, and the highest bidder should get the lease.

65. *Mr. Matheson.*] Do you think it would be a good thing for the colony if the State gradually acquired all the land, so that all occupiers of town and country land should be tenants of the State?—Yes.

66. *Mr. McCardle.*] Do you not think under the auction system there would be a tendency for the price of the land to run up to too high a figure?—If the land is worth, say, £10 an acre to me I think the Government should reap the benefit of it, and if there is another man to whom it is worth £11 I think he should obtain it. If he sees his way to do well with it at the higher figure, then, I think, he is entitled to get the land. I think that if a man has made a purchase and finds he has made a mistake it should be entirely his own loss.

67. Do you believe in free trade in Native land?—No. To a certain extent, I think the Native is getting more enlightened, but I think on that point he is a little weak, and, under certain circumstances, may sacrifice his land for very little.

68. Do you not think that the poorer settler wishing to settle on land should get some protection from the moneyed man who may outbid him at auction?—No, I do not. If, for instance, I am a competent settler I know exactly what my capabilities are, and what the value of the land is, just as well as the moneyed man, and I can get just as much out of the place as he can.

69. But, supposing the price of the land rose beyond your means?—I have only to find the interest on it.

70. *Mr. McCutchan.*] You advocate double improvements and exemption from residence?—I said so, but I did not mean to go quite so far as that. I advocate increasing the improvements, and doing away with the residential clause.

71. Would not that leave the door open to interfering with *bonâ fide* settlement?—I think if a man improves his land and goes ahead, he should not be compelled to reside on it in all cases.

72. Do you not think there are a number of townspeople—moneyed people and speculators of various descriptions—who would be induced to come into competition in respect to lease-in-perpetuity sections. Would not what you suggest mean excluding a great number of *bonâ fide* people from getting on the land? Would you qualify your advocacy of exemption from residence by suggesting that the Land Board should be given discretionary power to inquire into an applicant's *bona fides*?—Certainly.

73. In respect to your application for an advance, were there any disadvantages in your case in the way of noxious weeds and floods?—No, except that I have no roads.

74. Did the Department give you no reason for declining to make the advance?—No.

75. *Mr. Paul.*] With respect to the settlement of bush land, do you think it would be successfully settled under leasehold tenure?—Yes.

76. That is, providing the conditions were made easy and reasonable?—Yes.

77. Would you be against any further sale of Crown land?—Yes.

78. *Mr. McCardle.*] You know, I suppose, that you get an exemption on bush land for four years, and you are also free from rent for that period?—Yes.

79. Do you approve of the homestead system?—No.

ALBERT OLIVER examined.

80. *The Chairman.*] What are you?—I am a storekeeper in Kaihu. I have been in that business about nine years. I hold no land whatever, except a small business-site which I lease from the Natives.

81. Have you any particular point you wish to bring before the Commission?—I am not in favour of any change in land-tenures. I very much favour the lease-in-perpetuity system.

82. Have you observed the working of it in any place?—Yes, in the surrounding settlements.

83. Has it worked successfully?—It has only been a partial success, but that, I think, is due largely to the ballot system, under which the best tenant might draw the worst section in the settlement.

84. Have you any alternative system to suggest?—I should be in favour of an auction system, which would preclude capitalists and mere land speculators from taking part. I think the auction should be confined to *bonâ fide* men with not more than a moderate amount of means. I am strongly against stringent residence conditions.

85. What do you think of the working of the Advances to Settlers Department?—I think it has been a great success. A few complaints have been made about the expenses. For instance, men who have applied for loans of £30 or £40 are rather surprised when they get £3 or £4 short. Of course, they cannot expect a loan for nothing.

86. You believe in the lease-in-perpetuity tenure?—I believe that if the leasehold were done away with it would mean throwing the lands back into the hands of the large landholders, and I fail to see any great advantage to a poor man to have the right to purchase, because he would probably place himself in the hands of the money-lender.

87. That is, if they were compelled to purchase?—I think they would go to the money-lenders, and that would only increase their annual expenses, as they would have to pay a higher interest.

88. Could they not apply to the Advances to Settlers Department?—I understand loans will be advanced by the Government for improvements only. Another thing about the freehold is, that immediately a settler got the freehold he might sell out to a large landholder, while under the leasehold they are bound to the land.

89. Under the lease in perpetuity they can transfer?—Yes, but I do not think a capitalist would care to buy up the leases.

90. *Mr. Anstey.*] Is there much Maori land in this neighbourhood?—Not a very great deal.

91. Is much of it occupied or improved?—Scarcely any.

92. Is the tenure you have under your Maori lease satisfactory to you?—Yes, it is a five-yearly lease, and it suits me for business purposes. There was a building on it when I took it up, and I have improved it since.

93. Do you get any valuation for building at the end of the lease?—No.

94. *Mr. Forbes.*] Are the settlers around here doing fairly well?—Some of them. I do not think any of them are doing very well.

95. Do the majority make a living on the land without working outside?—No; the majority work at other things.

96. Do you think the land is capable of supporting the population yet in a fairly prosperous condition?—Not entirely, yet.

97. The previous witness said a draper or a storekeeper should not make recommendations with regard to the occupancy of land in the country: do you think that is reasonable?—Certainly not.

98. Is not the whole population of the colony interested in the Crown lands of the colony?—Decidedly; they are a national asset.

98A. Should not the whole population have something to say with regard to the hours of labour, the hours shops should keep open, and so on?—Yes, the whole of the public should have a voice in all those matters.

99. *Mr. Matheson.*] Where a settler goes into the back country and works hard for twenty or thirty years, if he saves enough to buy the freehold, do you think the Crown would be wise to give him that opportunity?—That would depend. I am not in favour of allowing the land to drift into the hands of large holders.

100. Do you think that could be stopped by limiting the area or the value of land any one man could hold?—I think the best way to stop it would be to continue the leasehold.

101. Do you think it would be a good thing if the whole of the land of the colony were occupied by tenants of the Crown, and there were no freeholders?—Yes; I think State control is the system for the country at large.

102. You do not think that would tend to encourage people to go into the cities?—No; I think if the conditions were easy settlement would go ahead under the leasehold.

103. *Mr. McCardle.*] I suppose you have totted up the cost to the country if the Crown were to buy up all the freehold land for the purpose of settling it as you suggest?—No; I am merely advocating that the lands now in the hands of the State should be kept in the hands of the State.

104. Do you not think that the nine-tenths of the land now held under freehold might be mopped up by one landlord, which would be the very evil you apprehend? Would it not be better for the Government from this date to limit the aggregation of these estates to a certain number of acres?—Certainly.

105. You said that under the ballot system people were compelled to take whatever sections were allotted to them: is it not the case that, except under the village-settlement system, a person puts in an application for whatever section he wants, and that if he does not get it he is out of the ballot, unless he goes in for another? I was under the impression that they all put in and drew for sections.

106. *Mr. McCutchan.*] You heard Mr. Touhey's evidence with regard to residence, when he said owing to having a 10-acre section on freehold on which he had his home he was hampered from going elsewhere and taking up a lease from the Government: it is in reference to such conditions as his that you object to the residence conditions, or do you object to residence conditions generally?—I think there should be more discrimination in allowing a man to leave his section for a time and go and work elsewhere.

107. Are you prepared to advocate the elimination of the residence conditions from the Land Act altogether?—I think that is going rather far. I am not prepared to answer that question straight out.

108. I understand that you approve of the occupation-with-right-of-purchase tenure amongst others. Would you not approve of the Advances to Settlers Department advancing money upon adequate security for the purchase of the freehold by a man who had that right by law?—I think

it should be always for improving the land. I understand advances are made for that purpose only.

109. It is for various purposes. Would it not be reasonable that a man who had the right of purchase by law should be able to go to the Department for a loan to complete his purchase?—Yes; but would the funds stand it if the whole of the settlers were given the right to purchase.

110. We are speaking about the occupation-with-right-of-purchase tenants?—If they were merely isolated cases, I do.

111. *Mr. Paul.*] In our travels, especially around the North Island, we have found large areas of freehold land lying neglected. Would you advocate any restrictions being placed on freeholds as to area, and so on?—Are there not already restrictions in the way of rating on unimproved value.

112. That is for local rating purposes?—Generally speaking, it resolves itself into a question of a man doing what he likes with his own.

113. Is it a good thing for the State that a man should do as he pleases with large areas of land which he has bought?—Certainly not, if he does not improve his land. I think the law should compel a man to cultivate his land, or allow others to do so.

114. You think the best way to do that would be by taxation?—Yes, I should think so.

115. Do you not think the abolition of residential conditions would be likely to retard successful settlement?—I think keeping the settler continuously on his land would be likely to impoverish him.

116. Do you favour the introduction of the homestead system, which gives the land away?—The homestead system seems to be in great favour up here, and I think settlement should not be hampered in any way. I do not, however, think people should have everything given to them. I would not actually give the freehold away.

117. So far as the poor land is concerned you would give a long lease at a merely nominal rent?—Yes.

118. *Mr. McCutchan.*] What, generally, is the condition of the roads in the Hobson County?—Generally pretty bad, but lately improving.

119. There was an objection this morning to the rating on the unimproved value, on the ground that it would prejudicially interfere with the timber areas: do you think it is likely to interfere with the timber industry?—It might raise the price of timber.

120. But, looking at it from a general standpoint, it is not the case that you would get more revenue?—Yes.

121. Seeing that the timber is increasing in value, is it not only fair that this extra burden should be borne?—Yes, and the owner of the timber must naturally raise his prices.

122. Have not the timber areas purchased some years ago increased enormously in value?—Yes.

123. Do you think the rate has increased proportionately?—Not proportionately, but I think they have increased more recently.

124. Returning to the question of tenure: you advocate the tenures remaining as they are—namely, the lease in perpetuity, the occupation with right of purchase, and the freehold, but later on in your evidence you condemned cash sales?—I always understood that all leasehold was the lease in perpetuity.

125. You are not aware there is a limitation as to area in regard to the occupation-with-right-of-purchase tenure? If there is a limitation in that system I am satisfied.

EDMUND TROUNSON examined.

126. *The Chairman.*] What are you?—I am a settler, and I am at present clerking in the saw-mill here. I have 350 acres of freehold. It is bush land, which I have held about ten years. I have farmed a portion of it, and I am now running cattle on it. A portion is in grass.

127. What tenure do you favour?—The occupation-with-right-of-purchase tenure.

128. Have you any remarks to make in regard to land-tenures, or sawmilling, or generally?—I only wish to say that my experience in going around the country has been that the freeholders, as a rule, have done more with their holdings than people who hold their land under other tenures.

129. What do you attribute that to?—I presume they are actuated by the same feeling that I have myself. They like to look upon it as their very own.

130. You are aware that the lease in perpetuity is for 999 years?—Yes; but there is something in my nature which causes me to wish to have a thing for my own.

131. With regard to the timber industry, we have had evidence to-day to the effect that it is becoming irksome to go on paying increased rates from year to year. What is your view?—Well, to some extent I am interested in that. It was my father who gave that evidence; but I might be able to give some information with regard to valuation. It is true that the timber has increased in value of late years; but I would point out that only last year the Hokianga Council revalued. The local body keeps pace with the increase in the value by increasing the royalty-value of the timber, so that the rate is increasing in proportion, or more than in proportion, to the increase of the timber as a marketable commodity.

132. Do you think the principle of rating the timber separately is fair?—The land is valued the same as any other unimproved land, and the timber at so-much per hundred feet, but the land cannot be improved while the timber is on it. I would not actually say that the principle is wrong; but it seems to me to be an incentive to get the timber out as quickly as possible, and the local body would be without that rate.

133. You consider it is overrated?—I would not say that, because if it were being sold to-day it might fetch that value per hundred feet, but in a few years' time it might not. In the meantime there is the unimproved rating running on all the time, and the Government land-tax is computed on the same basis.

134. You think it is a question for the owners as to whether they should not convert it all at once or leave it over?—It is purely a question of forecast as to the likely price of timber.

135. *Mr. Anstey.*] Have you improved this piece of freehold of yours, which you say was mostly bush?—I have felled as much as I was able. I bought my piece from the Natives, and the Kauri Timber Company have a right over it for some years, and until that time expires I can do nothing more on the portion where the kauri timber is.

136. Do you think that those settlers who have the freehold will do more with their land than the leaseholders, who are compelled by law to make improvements?—That is my experience.

137. *Mr. Forbes.*] Are you speaking for the whole of the colony?—No; for the North of Auckland only.

138. With regard to the timber, you think it is not in the interests of the colony that a man should be forced by rating to cut his timber?—I do not think it is a good thing.

139. *Mr. Matheson.*] With regard to the large estates purchased in the south for settlement, do you think it a wise thing for the Government to allow those who have taken up sections on lease to acquire the freehold at some future date, when they have expended a fair amount of labour and money upon them?—I think so, if the amount that any one man may hold is limited by law.

140. *Mr. McCutchan.*] It is quite evident that it is in the interests of the roads that the rating on unimproved value is imposed, though it may be questionable whether it is in the interests of the people holding the timber areas. Can you show from the rates upon this particular freehold that the disposal of the timber may be unduly forced?—As to the timber owned by my father, none of it comes down the road. The road is not utilised in any way whatever for the timber; it is used merely for packing or carting stores to the camp. I could not say that the cutting of the timber is forced. I only say it might have that tendency.

141. Can you give the unimproved value per acre of that block, and the amount of the rate levied by the local body?—There is slightly under 3,000 acres, at 7s. 6d. per acre average. Kauri is growing upon 800 acres of that. The unimproved value of the block is just about £10,000.

142. What is the total rate in the pound levied by the local body?—I think it is 3d.

143. That would mean that the local rates would amount to about 9d. an acre?—There is only 800 acres of kauri.

144. Do you think that 9d. an acre is going to prejudicially affect the industry?—It means between £100 and £200 a year.

145. You say there is 800 acres of the 3,000 acres on which there is still kauri timber. Is the balance of that block in grass?—Practically none yet.

146. Will not the rating on the unimproved value force you to make improvements?—It is not good land that is the trouble.

147. How is it that the unimproved value is 7s. 6d. per acre?—Between £8,000 and £9,000 of the valuation is for the kauri timber. If there was any question of the possibility of improving it would be all right, but it cannot be improved until the kauri is taken off.

148. On no part of this 3,000 acres?—We are grassing a portion of it now; but when you are alongside a big forest like that you have to be very careful about burning, because you might destroy the standing timber.

149. Did you ever see good farming on leasehold land from the Government?—I cannot say I have.

150. Have you any extensive experience of leasehold land?—Not particularly.

151. Have you seen bad farming on freehold?—I have.

152. Do you think the timber is increasing in value, and that the owner of that timber is getting a proportion of that increase?—I think it has been so.

153. Is there very much to grumble about, then?—The only thing is that in the last few years timber went up considerably, and the question is, has it reached its limit?

154. There are no conditions which are harassing either in local or general taxation?—No more than the one, in regard to which it is a matter of opinion.

JOHN BRIGER SMITH examined.

155. *The Chairman.*] What are you?—I am a settler. I hold 100 acres under occupation with right of purchase, and have held it close on ten years. I pay a rental of 6d. an acre. My place is about nine miles to the north-west of Kaihu.

156. Are you satisfied with your section and with your tenure?—I am satisfied with the tenure.

157. Was your land under bush originally?—Yes. I have now about 45 acres in grass.

158. Has the grass taken well?—Not too well. I had a very bad burn to start with, and the country does not hold grass well, because the altitude is too high. It is near the Mangonui Bluff.

159. How do you use your land?—For grazing cattle, and I do a bit of farming. I used to do some dairying when there was a creamery going, but the milk-supply was not enough to keep the creamery going.

160. Have you neighbours all around?—Yes; eight or nine.

161. Is there any particular point you wish to bring before the Commission?—Yes. We were charged at the rate of £30 5s. 8d. on each hundred acres for roading. That amount is capitalised, and we pay 5 per cent. on it, and my next half-year's rent will be my twentieth payment. I would not object to 2s. 6d. an acre for roading, but we are charged 6s. I and my neighbour pay £1 10s. each per year for our road, besides local taxes.

162. Suppose there was no road at all, would it be worth your while paying £1 10s. a year to get the road you now have?—Had I known there was that amount to be put on the land for roading I should have left the land alone; but I cannot afford to throw it up now, as I have spent something like £300 in improvements on it. We pay 6d. an acre on the capital value, and the loading for roads brings the amount up to about 9½d. an acre.

163. Have you had any experience of the Advances to Settlers Department?—Yes; if they would only be a little more expeditious in sending the money along.

164. Have you anything to say about the Land Board?—So far, I think the Board is working fairly satisfactorily; but I think the country should have some say in the appointment of Land Boards. I would make them elective on the franchise of the County Councils.

165. *Mr. Anstey.*] Was this loading of 6s. per acre to give you road-access?—Yes.

166. Has any portion of it been spent in making a road?—A 12 ft. road has been made.

167. Can you say that the whole 6s. per acre was not spent originally in making the road?—Possibly it might have been.

168. Do you think more than 6s. an acre has been spent?—No.

169. *Mr. McCardle.*] What class of land do you hold?—It is very inferior, and there are a good number of settlers settled around me on similar land.

170. Is there any suitable land available for settlement in the district?—It is suitable for grazing in one way, because after the first few years of the bush being down there is fairly good feed, but then the grass dies out.

171. Is the land you hold able to maintain you?—No.

172. *Mr. McCutchan.*] How much rent do you pay half-yearly?—£3-odd, with the loading.

173. Are you quite sure that the £30 5s. 8d. on the 100 acres is not included in the capital value of 10s. per acre?—It is not included. The capital value of the land is now 16s. per acre, or more.

174. Are you confusing the roading in any way with the advance you got from the Department for felling the bush?—None whatever. The first account I got stated the value of land £50, advance £70, and roading £30 5s. 8d. My total payments amount to £7 10s. odd per year. In reference to the lease in perpetuity, I would like to say that all land opened by the Government whether ordinary Crown lands or acquired estates, should be offered under the optional system. If a man takes up a block of land that is open for selection under the three tenures under lease in perpetuity, in order to save the 1 per cent., I have no sympathy with his desire for the freehold; but I hold when land is open for selection only under lease in perpetuity the tenant should have the option of purchase, because I consider the freehold or occupation-with-right-of-purchase tenure best in the interests of the country.

175. *Mr. Paul.*] Have you had any experience of the land-for-settlements policy in the South Island?—No.

176. You cannot say whether the settlements there under leasehold tenure are successful or not?—No. But it is not a question of whether they are a success or a non-success. What I say is that every individual should have the option of either tenure when taking up land. If I, as an individual, preferred to take up land under lease in perpetuity I have a perfect right to take it up under such tenure; but I consider it is wrong to open up a block of several thousand acres and offer it for selection only under lease in perpetuity. I think the difficulty of sale and transfer is a great drawback to leasehold.

177. Have you ever heard of a case where the Land Board have refused transfer?—It is not that I have heard of such a case, as that the law allows them to do so.

178. Under the Land for Settlements Act, or any other Act, the prospective tenant has the option of taking the land up or leaving it alone?—Of course he has; but if a man wants land he must have it, and if the land is settled under lease only he must take that leasehold or leave it alone. The tenant should have the option of purchase, according to my idea.

JOSEPH WILLIAM SHANNON examined.

179. *The Chairman.*] What are you?—I am Crown Lands Ranger, and a farmer. I have held my official position a little over twelve months. I have been in the north nearly forty-five years: I was born there. I am Crown Lands Ranger for the Bay of Islands electorate. For some time I have been farming 200 acres of freehold, but eighteen months ago I took up 40 acres under occupation with right of purchase and 120 acres of freehold bush land, which I bought from some absentees, and I also have an interest in a leasehold with another gentleman in an educational reserve of 297 acres.

180. You have been a short time in your official position, but so far as you have gone do you think the settlers under the various Crown-land tenures are succeeding fairly well?—Many of the older settlements, which went back for many years, are now commencing to improve again. Speaking of the special settlements, such as those around here, which were included in my district last year, I may say a great number of men went on to them who knew nothing about land. They went on the land in a time of great depression, which really forced them out of the towns, and they failed to make a living on the land. Consequently a great number have gone away, particularly in one settlement in the north, named Herekino. Nearly all the original settlers have left the district, but the land has been taken up and is being farmed by others now.

181. What became of the people who failed and left?—Some went back to the towns, some on to the gumfields, and some into businesses which they understood and have done very well at.

182. So, the original purpose of getting them out of the towns has been served?—Yes. I think it served a very useful purpose at the time.

183. I believe, in your experience, you have given considerable attention to grassing land: and you have heard the various evidence that has been given in regard to danthonia and paspalum and other grasses. Would you give us your views in regard to this question?—I have had considerable experience with grasses. In grassing land you want to find out, first, the quality of the land, and then the grass most suitable to it. A great deal of the land throughout the north is well suited for rye-grass, clovers, cocksfoot, timothy, and the fescues, but they will not do on all classes of country. There is a very large area along the coast, especially the east coast, that is only fit for danthonia, which takes the place of the scrub and fern and enables the land to carry

some stock in the way of sheep and cattle, when otherwise it would run nothing. These lands will not grow any of the better classes of grass. I think *Paspalum dilatatum* will grow on most of these lands also. I have had a good deal of experience with that grass. I have seen it on the gum lands—that is, the pipeclay land—as well as on the swamp lands up north, very nearly up to the North Cape. I have sown it on the sands of the west coast, and I have found it do well in every instance. Of course, when I say well I mean that it grows better than any other grass. I think very highly of it. It is a very fattening grass, and very good for renewing old pastures, especially on hilly land. In some localities cocksfoot holds very well, but in others it grows tufty.

184. What about rat-tail grass?—It is a very useful grass in some places, but it is very hard on stock, although I have noticed that stock reared on rat-tail grass keep their condition. But it requires to be burnt off like danthonia, to enable it to come up fresh and young again.

185. Can you name the particular places where ryegrass grows well?—It takes in valleys, such as the Oruru Valley, the Victoria Valley, and the small valleys at Herekino and Broadwood and Pakaraka. I am not very well acquainted with this neighbourhood, but I notice it grows very well on the flat land in this district and on some farms below Dargaville. Timothy does very well on the flat land, but requires something, such as the clovers, to give it bottom.

186. Have you any remarks to make in regard to noxious weeds?—In some districts the blackberry is spreading and becoming a great curse. It is a very difficult matter to cope with, as the birds carry the seeds about and drop them in the bush. In years to come, when that bush is felled and burnt, I fear the blackberry will come up.

187. What about gorse?—Gorse is also a weed in many places, but in some places I think it has done a great deal of good. I speak particularly of the Kerikeri district. There is a lot of land there that at one time carried very few sheep. I knew that Mr. Kemp at one time was running eight hundred sheep on the place, and he considered that was all he could run. He told me himself that when he had twelve hundred sheep on the place it was overstocked. He sold the property to Mr. Williams, and then managed the place for him. Mr. Williams went in for the systematic sowing of gorse. He imported the seed from England, and sowed it in drills, with grass in between. I was up there some years ago, and I recommended them to sow danthonia, which at that time had not been advertised. I had taken notice of it then. On my advice Mr. Kemp sowed down some danthonia. I pointed out a piece of ground where danthonia was growing, and he saved the seed himself. He sowed the danthonia, and he found it carried fire whenever he wanted to burn the gorse in order to renew it. They are now carrying four thousand sheep within the boundaries of that property. In that instance gorse has been a great success. In other places it has practically ruined the settlers. It is just a matter of the quality of the land. If it is allowed to grow on good land it is difficult to eradicate. On this land at Kerikeri, Mr. Kemp told me quite lately, he had not been able to get anything to grow. After a few years in gorse he stumped it and put the land in turnips and oats and grass, and he now finds the land will carry grass where it would not hold it before. The gorse opens up the land and improves it.

188. We saw some extensive tracts of country where apparently the gorse had got beyond the control of the grazier?—A great deal of it has. Still, that land will carry a great number of sheep, though, certainly, it is an eyesore to see good land in gorse. However, one is very diffident about saying anything against it, seeing there are no other means of bringing the land into grass.

189. You think under careful management the sowing of gorse and danthonia is not to be condemned so long as it can be controlled?—Yes.

190. *Mr. Anstey.*] With regard generally to the tenure upon which Crown land should be taken up, which do you think, from the point of view of the State, is best?—From the State's point of view, I think lease in perpetuity is best.

191. Is there anything in the lease in perpetuity which prevents a man fully improving and developing his holding?—Nothing whatever, so far as I know. I am not saying this now because the tenure is here; but when the Act first came into force I thought it was one of the best systems ever brought into force, as it allowed a man to get on the land and conserve his capital to make the land remunerative.

192. Is there anything in the lease in perpetuity to which a settler objects?—Great numbers do object.

193. Upon what grounds principally?—It is a matter of sentiment, I think. They require the freehold. At present they have got to be educated up to the belief that the lease in perpetuity is as good a title as the freehold.

194. Are freeholders under the same restrictions as leaseholders with regard to improvements, residence, &c.?—No.

195. Do you think it is wise they should be?—I certainly do.

196. Taking all classes of settlement—freehold and lease-in-perpetuity holders—what is your experience generally? Are freeholders improving their lands as much as lease-in-perpetuity settlers?—Yes; I think more freeholders are improving their lands than leaseholders. But then, again, some do nothing with the land—after paying cash for the land they let it remain idle.

197. Are any lease-in-perpetuity settlers doing that?—Very few of them. They have to do something, or otherwise they would forfeit their land. Under the present cash system a man buys land for cash, and he has seven years in which to do certain improvements. He is not worried by the Board or by the Rangers about improvements until the seven years are up; whereas the man with the lease has to do 10 per cent. of his improvements the first year and 10 per cent. the second year, and another 10 per cent. on the sixth year. I think a man who buys land for cash should have to improve his land the same way.

198. Then, in proportion to numbers there must be more leaseholders improving their land than freeholders?—Certainly.

199. Is there not a very large proportion of freeholders failing to do the improvements they ought to do?—A large number in my district are doing nothing at all. They are what we call "absentees."

200. Can you suggest any fair means which should be placed on freeholders to compel them to use their land properly?—That is a big question to go into. It is a difficult matter to interfere with present titles.

201. With regard to those who have not got titles yet, can you suggest any scheme?—I would suggest that they be put under the same regulations as leaseholders in regard to improving every year.

202. Would you insist on residence conditions?—I think that would be a great help in the settlement of the land, so long as the Land Board had discretionary power to dispense with residence in certain cases.

203. *Mr. Forbes.*] We have heard a great deal about the homestead system as a means of settling this poor land in the North of Auckland: do you think that system will solve the problem of settling these lands?—I do not think it will.

204. You have seen the working of the homestead system?—Yes.

205. Has it worked out satisfactorily where the land has been poor?—No. The settlers must be put on good land to make it a success.

206. If good land is opened up in these districts are there plenty of applications for it without needing to bring in the homestead system?—Certainly.

207. There is no necessity to reintroduce it in order to settle good land?—None at all.

208. Then, you think it is not desirable that a poor man should be put on poor land?—I do not think it is desirable at all to put any man on poor land so long as there is good land in the district.

209. Would you say the poor land north of Auckland requires a good deal of capital to bring it into a reproductive state?—Yes.

210. You think it is not land for the poor man at all?—Certainly not.

211. Do you think it is advisable to allow double improvements on a section to count for residence?—It would in many cases where there were real reasons why a man should live off his property, and where he has proved himself a *bonâ fide* settler.

212. Would you think it reasonable to allow, say, a tradesman in town to take up a piece of Crown land and be exempt from residence for some years by making double improvements?—I think in that case you would require more than double improvements to be sure he meant to be a *bonâ fide* settler; otherwise a man might speculate in land. If he proves that he is taking up the land for the future of himself or some member of his family, then it is quite right, I think, that he should be allowed to hold it. I do not hold with the idea that a man in the town should be allowed to take up a piece of land with no intention of residing on it at any time in the future.

213. Is there not also this to be said: that the fact of non-residence on the land is a hardship on those people who have to reside on the land?—It certainly is. The more settlers who go into a place and live there the better they get on. If some of the landowners are living away life becomes very lonely for those who are on the land, and especially for the women folk, and they become discontented and leave also.

214. Would you say the settlers, as a whole, under your charge are doing well now, or better than formerly?—I can say there has been a great improvement in the last year, especially throughout the north. There is a slightly increased demand for land, and the price of cattle and sheep and all kinds of produce has been up.

215. *Mr. Matheson.*] Do you consider that the poor scrub land in this province could be laid down in danthonia to bring in a fair return for the capital and labour involved?—A good deal of it could. Most of it could, provided it was done judiciously.

216. You said when men are really well educated on the land question they will be satisfied with the lease-in-perpetuity tenure?—Yes.

217. How was it that, having two freeholds of your own when you took up a third, you did not take up the land under lease in perpetuity?—I will tell you the reason. If I could sell out the whole of my block of land to-day to the Government I would be quite willing to take it back under lease in perpetuity; but, having a freehold here and a freehold there, and this little triangle in between, I thought that if I wanted to dispose of my property it would be better to take it up under freehold tenure than under lease in perpetuity. So long as I wanted to live on my land I would be perfectly satisfied with a lease in perpetuity.

218. *Mr. McCardle.*] In speaking of improvements on leaseholds, I suppose you included leases under occupation with right of purchase?—Yes; I think they are worked better than most leases in perpetuity.

219. You are aware, I suppose, that a definite proposal has been made to reintroduce the homestead system. Do you think it would be against the interests of the country if some of the outlying country was settled under these conditions?—I think it might be in the interests of the country at large if a certain area in the middle of a block of land about to be thrown open for selection was settled first under the homestead system. The men who went in under that system would be the pioneers. The land would all be taken up by *bonâ fide* settlers. I have never known a man take up land under the Homestead Act who was not a *bonâ fide* settler. They would go in and settle and improve, and they would then make other people more anxious to go and select the surrounding land when it was thrown open.

220. You mentioned that you thought that when settlers became educated up to it they would prefer lease in perpetuity: how do you explain that in face of the fact that hundreds of settlers have taken up and are now applying for land under occupation with right of purchase?—The popular cry is freehold. I have been amongst the lease-in-perpetuity settlers, and I know what they say. They do not like to be continually paying rent, and they are afraid that perhaps at some time they may not be able to meet their rent.

221. Is there not another reason too: do they not look forward to the day when the Land Board will cease to have control over them?—That is one of the main reasons.

222. And is there not another: owing to the low price of the land, when a man has spent considerable money and time in improving his section, there comes a period when he finds it necessary to have capital, and without the freehold does he not find he cannot get the amount of capital necessary to carry him through to success?—There is a good deal in that; but you forget that already they have no capital sunk in a lease in perpetuity.

223. But is not the capital value of a lease in perpetuity very small compared with the value of the improvements effected on the land by an industrious settler?—Certainly. In five years' time a settler will have a £4 interest in the land, and the State's will only be 10s.

224. Is that not a reason why settlers agitate for the freehold, because they cannot borrow on that interest as readily as they can on freehold?—Yes.

225. Do you think that after a man has effected his improvements he should be as free of control as the man who has got a freehold, so long as he pays his rent?—I think he should, if he shows himself to be a really *bonâ fide* settler.

226. If that were done, in your opinion, would the cry for the freehold soon cease?—I think it would die out to a great extent.

227. Have you had any experience of the Advances to Settlers Department in your district?—I valued for the office for three years.

228. Do you think the Act could stand a little improvement in the matter of dealing more liberally and more promptly with the settlers?—Yes, in the matter of promptness there is room for improvement. In my district as long as three months have elapsed between the date of the application and the granting of the loan on really good security.

229. Is there much good land in your district suitable for settlement?—There is a good deal in the Hokianga County.

230. I have been told there is a considerable portion of land in the neighbourhood of the river held in large blocks of several thousand acres. Do you think it would be advisable for the Government to take that land for close settlement, in view of the fact that it is suitable for dairying?—I believe it would do a great deal of good for this district if it were done.

231. You have heard the evidence in favour of an elective Land Board. Do you not think it would be desirable in the interests of this very large district that the Government should increase the membership of the Land Board, and appoint those members, as far as possible, from the districts now unrepresented?—Yes; I think the Land Board should be increased by two or three members, but no more, otherwise it would become too unwieldy. I think clever men might be picked out from the electoral districts, and each electoral district should send a representative to the Land Board.

232. *Mr. McCutchan.*] In speaking of the poor lands being brought into a state of partial fertility by means of gorse, do you think that system could be carried out generally over the poorer pipeclay lands of the north?—Over a great deal of them where there is no danger of the gorse spreading on to good land adjoining.

233. Do you think the expense after a number of years of getting the gorse out in order to get in English grasses would in any way deter people going in for gorse cultivation?—I do not think the expense would be very great on land that could be ploughed; but on land that cannot be ploughed it is very difficult indeed to eradicate gorse. The land at Kerikeri is all ploughable.

234. Have any numbers of sheep been fattened on the gorse?—Yes, a great number.

235. Will this gorse fatten lambs?—Yes, very well, with the assistance of grass.

236. You have spoken very highly of the paspalums; but complaints have been made to us of the low germinating properties of paspalum and the difficulty of getting a good sole of grass: what is your experience?—My experience has been quite the reverse. I have always saved my own seed. I have never bought imported seed. Some *Paspalum dilatatum* was sent to me by a friend twenty-four years ago, and I divided the contents of that very little packet with a neighbour, and we raised a good many plants, and I always collected my own seed. I find that wherever I sow the seed it grows, and that no matter in what month of the year it is sown it is never lost. Sometimes it is slow in germinating, and sometimes I have not seen the grass until twelve months after sowing.

237. Would there be any difficulty in settlers acquiring the seed if they went in for this grass extensively?—No. It is being imported in large quantities from Australia.

238. Are the germinating properties of the Australian seed as high as those of the local seed?—I do not think so.

239. Would you advocate the Government taking the matter up and cultivating an area for seed-growing purposes in order to bring in these lands?—I would.

240. *Mr. McLennan.*] Was the area on which the eight hundred sheep were run covered with tea-tree then?—It was open land with low tea-tree here and there. It was mostly covered with fern. Before gorse was sown Mr. Kemp had laid several paddocks down in English grass, but had failed with them.

241. Did he plough the land several times or only once before sowing English grass?—He ploughed it several times and cropped with oats.

242. I suppose by occasionally burning the gorse the young gorse comes up. Do the sheep eat it?—They are very fond of it.

243. Though it is beneficial to the owner of the land who keeps his stock on the gorse, do you mean to say it is beneficial to the rest of the country that the gorse should be sown?—It is in the case of poor land like that north land. Mr. Williams has employed a great deal of labour. There are a number of settlers about on fairish sections, but I do not think they could have lived on them if Mr. Williams had not taken up this land and started gorse-growing. He has found constant employment for them.

244. But supposing you had a farm alongside Mr. Williams, and wanted to use it for some other purpose, how would you like him to grow gorse on his place?—I should object to it.

245. You do not know whether the Act has been put into force to compel settlers to destroy weeds in the county?—Only so far as blackberries are concerned.

246. Do you think it would be advisable to put it into force in regard to gorse?—I do not. Many men would be fairly ruined if they had to destroy the gorse at once.

247. Do you think a man should grow anything detrimental to his neighbour?—Certainly not, and he should not grow the gorse near his neighbour's boundary.

248. Would you favour regulations providing that any one growing gorse for sheep-feed should not plant it within 5 chains of his boundary-fence, and that he should keep that space clear?—5 chains is almost too close; I should say a greater distance than that.

249. Would you be in favour of 10 chains distance?—That might be safe. I do not advocate gorse being planted on good land or on small farms, but on large tracts of poor land where there are no neighbours to interfere with. Gorse has not proved detrimental in those localities.

250. Have you seen the gorse at Whangarei?—It is a weed there.

251. *Mr. Paul.*] Have many cases of dummyism come under your notice as Ranger?—A good few. Dummyism is hard to prove.

252. Still, as a farmer, you will have a fairly correct idea as to where dummyism exists, even though it is not always possible of proof?—That is so.

253. Do you treat these cases leniently?—No. If I feel sure a section is held by a dummy I do my best to have the section forfeited.

254. Do the Land Board help you to carry out that idea?—Yes; they act on my reports.

255. As a practical farmer, is there anything you could object to in the conditions of the lease in perpetuity, or the supervision of the Land Board, or anything else?—There is nothing I would object to personally in the lease in perpetuity. I think the settler who takes up land under it has a free hand as to the way he cultivates his land. He is not hampered by conditions as to how he shall work it, so long as he does his improvements in a certain time.

256. With reference to the residence conditions, do you think there could be any variation in any other direction?—No. I think it is very necessary to have that clause, so long as the Board have the right to waive the residence clause in certain instances.

257. You think the proper place for the settler is on the land?—I do.

258. Is there any aggregation of estates going on in the Bay of Islands Electorate?—Not that I am aware of.

259. *Mr. Matheson.*] I was told by Mr. Clarke, storekeeper at Waipapa, that land had been laid down in gorse by Mr. Williams at the expense of hundreds of pounds; that he had never put a sheep on it, and that it was now offered for sale at less than the amount that had been spent on it in laying it down in gorse. Can you give any explanation of that?—I know nothing about that.

260. *Mr. McLennan.*] In travelling through the district I suppose you come across back settlers living within half a mile or a mile of one another: do you think it is desirable that they should be supplied with telephones, if possible?—I do, most certainly. It is a thing I feel rather strongly about. I consider that when a few settlers go in to a block of land they should have a telephone, even before a road. It does not cost much to put a telephone in, and it would give them satisfaction, and perhaps save lives.

261. You do not think it is advisable that they should be called upon for a guarantee for the purpose?—No, I do not; because I think telephones form part of the Government revenue, and because I think they would be a great means of opening up the land.

262. *Mr. Anstey.*] With regard to the poor land you speak of to be taken up under the homestead system, which means giving the land away for nothing, do you not think it would be much better for the Government to spend some money in roading the land first, and charge that on the land, rather than give the land for nothing without roads?—Yes; but I do not think there is any need to give that poor land away for nothing. It will never do in small areas. It wants a capitalist to take it up.

263. *Mr. McLennan.*] Do you think it is advisable that the Government should try and plant some of this poor land in timber, or is the land capable of growing anything?—A great deal of it is capable of growing timber, but I think it would be very expensive work; and, again, the timber would have to be protected from fires. Most of the poor land, especially in the north, contains gum, and so long as there is gum in the land there is a danger of fire, because the digger will go in and set fire to the fern and scrub to enable him to get at the gum.

DARGAVILLE, WEDNESDAY, 24TH MAY, 1905.

JOHN MATHESON MCKAY examined.

1. *The Chairman.*] What are you?—I am Crown Lands Ranger for this district, and have held that office for five years. During the previous ten years I was casually employed by the Government as a timber expert. My district embraces Whangarei County, Otamatea County, and part of Hobson and Bay of Islands Counties.

2. How many Crown tenants are there in your district?—About eleven hundred.

3. Under what tenures?—Occupation with right of purchase, lease in perpetuity, and also some village settlers and improved-farm settlers.

4. Are they getting on fairly well?—Those who have fairly good land and who are energetic, and have a knowledge of farming, are doing well.

5. Have there been many forfeitures or surrenders?—Not many. I do not know of any compulsory forfeitures where the settler has tried to do his best.

6. We have been told that most of the settlers have retained their land?—Yes. They were a class of people who were adapted in most cases for that class of settlement.

7. Do you think it is desirable to reintroduce the homestead system?—Yes, I think it would; but I think the areas should be larger.

8. I have noticed that in this North of Auckland district the homestead settlers have been mostly settled in the good valleys. That, no doubt, has a good deal to do with their success?—Yes, and they have in some cases added to the area of their holdings.

9. It is probably the case that there is not so much of that good land left?—That is so.

10. Do you think it would be advisable or not to throw open the poor land to poor men even in larger areas?—I think that if no one will take up the land under any other tenure it would be better to throw open the land under that tenure than allow the land to remain idle. I do not think that the payment of a small sum would make much difference in regard to the settlement of that land.

11. In regard to the forest reserves, do you think as they are being cut out it would be well to immediately throw open that land for settlement?—There are a good many areas of such land, which, if thrown open for settlement, I think, would be readily taken up.

12. Can you suggest any alteration in the law that you think would be beneficial in the interests of profitable settlement?—I do not think I could suggest any improvements in respect to the present land laws.

13. Do you think the present residential conditions are too exacting?—I think the Land Board should be allowed to exercise more discretion in dealing with this matter.

14. *Mr. Forbes.*] Is there any tendency towards the aggregation of large estates in this district?—Not of late years, but there are one or two pretty large estates. I know of many settlers who have sold out to their neighbours, but that has not occurred to any large extent, and it has not become an evil.

15. Is there much land in this district that is locked up and is not productive?—There are some areas that are not as productive as they might be made, but, still, I do not think it amounts to an evil in this district.

16. Do timber companies hold large areas of land?—Yes, but they are gradually getting rid of them. The Kauri Timber Company holds 20,000 acres in this district and 6,000 or 7,000 acres further up the river, but that land is being gradually cut up.

17. When the timber is cleared off they sell the land?—Yes.

18. Would you apply the homestead system to gum land or tea-tree land?—I would not settle poor men on poor land.

19. What do you think will be the position when the timber industry and the kauri-gum industry come to an end?—I think that fruit-growing will probably be a success in these districts.

20. Do you think that outside employment has been a large factor in the success of the homestead system?—Yes.

21. *Mr. Matheson.*] Do you think that poor manuka land can be made useful for fruit-growing purposes?—Yes, probably so.

22. Do you think it would be wise to give such settlers, say, 50 acres on condition that he planted, say, 5 acres in fruit-trees?—Perhaps it would, but I think that he should pay a fair value for the land.

23. Can you suggest any better method of dealing with Native land?—I have not studied that question.

24. What is your experience of danthonia and paspalum?—Those grasses seem to do pretty well on ordinary gum land.

25. Do you think they can be made to take the place of manuka scrub?—I feel certain they can.

26. *Mr. McCordle.*] You have said that there are some fairly large holdings in this district: can you give us an idea of the area?—There is one estate of 40,000 acres. Most of it is gum land.

27. I have been informed that there are some private individuals who hold large areas?—Yes.

28. Is the land all fairly good?—No. There is a considerable extent of gum land.

29. But is there any considerable extent of good land in the hands of the large holders?—Yes.

30. Is it not a fact that a considerable area of that land is well adapted for dairying?—I think so.

31. Do you not think that the provisions of the Land for Settlements Act might be applied to some of this land?—Yes.

32. While the gum is available, do you not think that if the gum land were thrown open under compulsory improvement conditions—that is, in cases where the land could be ploughed—do you not think that the settlers could plough that land deeply and extract the gum?—Yes, that would be right enough; but there are a great many people who are dependent upon gum-digging for a living, and that would debar them from obtaining a livelihood.

33. I suppose you are aware that there is an agitation in favour of reintroducing the homestead system?—Yes.

34. You think it would be better if such settlers were to pay a small annual rent, rather than the land should be given to them free?—Yes, if they took up the land under the present system.

35. Are there many tenants in arrears in respect to their improvements?—No.

36. *Mr. McCutchan.*] Are the Crown tenants satisfied with their tenure?—They have been satisfied till lately, but some of the lease-in-perpetuity settlers seem now to be afraid of revaluation.

37. Are there many Austrians in this district?—Yes, a good many.

38. If they could be induced to settle on the land, do you think they would be a desirable class of settlers?—Yes.

39. Do you think they are conversant with our land laws?—I think that those who have been here for some time are conversant with them.

40. Do you think it would be a wise thing to print the main provisions of our land laws in their language, and circulate the information amongst them?—Yes.

41. *Mr. McLennan.*] Have you noticed any difference in the improvements made by freehold and leasehold settlers?—No; the amount of improvements depends on the character of the settler.

42. Do you think it would be advisable where there are two or three settlers at a distance from the township that telephonic communication should be given to them?—It would be a good thing, and I think would help to settle the district.

43. Is there any Crown land in this district besides the areas indicated?—The only Crown lands are forest reserves.

44. If the Crown land were cut up into 50- or 60-acre sections, do you think it would be taken up for dairying purposes?—I think those areas are rather small, but I think the land would be taken up if the areas were larger.

45. *Mr. Paul.*] We have had complaints with respect to loading the land: what is your experience? Has the money been expended?—I have had occasion to make inquiries into one or two cases, and I have always found that the money has been expended in the case of both "thirds" and loading.

46. Have any cases of dummyism come under your notice?—I know that some sections have been transferred, and that the holders never went on them.

47. Do you treat such cases leniently?—I have never had occasion to report on such cases.

48. In regard to leasing conditions under the lease in perpetuity, is there anything that you think a farmer could reasonably object to?—I have had no experience of the lease in perpetuity under the Land for Settlements Act. With regard to Crown land, there are no special conditions as to improvements.

49. Do you know of any reason for the fear of revaluation?—No.

50. Do you think that if the lease in perpetuity can be interfered with that the freehold can also be interfered with?—Yes, I should imagine so.

51. *Mr. Anstey.*] Are the roads to these back blocks sufficient for the requirements of the settlers?—I would not like to say, but they are not as good now as the old settlers used to have.

52. Do you think it would be wise to increase the amount of the loading, and provide better roading facilities?—I do not think it would be wise to increase the amount of loading.

53. Do you think it would be wise to compel freeholders to make improvements in the same way as leaseholders are compelled?—I would be in favour of putting them more on an equality.

54. With respect to good land, for instance, like that in the Kaihu Valley, do you think that a certain area of the good land might be put together with a larger area of poor land for settlement purposes?—Yes. You want a bit of room in the case of this North Auckland land.

55. Is most of the tea-tree land in the neighbourhood of Dargaville capable of being laid down in grass?—I think so.

56. Is the tea-tree land opposite the township a reserve or Crown land?—I think it is a private freehold. The whole of the Dargaville Township is private property, and most of the people here are tenants.

57. I noticed within two minutes' walk from here a paddock in good grass, and immediately adjoining an area of tea-tree land without improvements. Do you think that something ought to be done to compel the holder of the tea-tree covered land to improve the land?—If it is private land I do not know that you can interfere with it.

58. Do you think that the owner of private land has a right to keep his land unimproved?—That is the law. I would not like to give a further answer to that question.

59. *Mr. McCurdle.*] Do you think it would be desirable to give a settler in the bush, whose land adjoins that of a settler who has occupied his section for some time, a longer time in which to put up his boundary-fence?—Yes; I think it would help the new bush settlers.

60. Do you think that the time might be extended to such a new bush settler being given six months' notice to fence instead of one month?—Yes.

61. *Mr. McCutchan.*] Would you advocate a change being made in the law in this direction: that the Government should have the right of felling the bush 1 chain wide on Crown land and putting up a fence, the whole cost of felling and half the cost of fencing to be charged against the land, and to be paid by the incoming tenant?—Yes, I think that would be a good thing.

ALFRED GREGORY examined.

62. *The Chairman.*] What are you?—I am a draper, residing at Dargaville, and I have been here for four years. I hold a town section. I may say that I was engaged in fruit-growing in England for ten years.

63. Have you any particular point you would like to bring before the Commission?—Yes. I would like to show how the lands are divided up in this country. I have made a special study of this question. I wish to submit the following summary to the members of the Commission. [See Appendix.] I may say that the above summary has been prepared from the county rate-books.

64. You strongly believe in rating on the unimproved value being made applicable throughout the colony?—Yes.

65. *Mr. Forbes.*] Have you studied the question of the constitution of the Land Boards?—No.

66. You believe that the Crown should not part with any more land for cash?—Yes.

67. Under what system do you think the land should be settled?—I have not studied the question from that point of view, but I think those who take up land should work it, and that whatever improvements they make out should belong to themselves, but that the unimproved value should belong to the Government in trust for the people.

68. Do you think that people will take up bush land and spend their lives in improving it under such terms?—Yes.

69. It has been stated to the Commission, in reference to the land in the North of Auckland, that settlers will not take up that land unless they have the right of getting the freehold?—Probably the reason for that is that they do not understand the land question.

70. One witness stated yesterday that he did not think that a draper and people in the towns should have the right of assisting in framing laws as to the settlement of the land?—Every one lives on what the land produces, and, therefore, every one has the right of expressing his views on the question of how it is best to settle the land.

71. Do you think that the settlers in this district are doing fairly well?—Yes.

72. Have you thought out any scheme under which you think the land can be more satisfactorily settled?—I think that the land should be leased for a term of, say, twenty-one years, with right of renewal, the improvements to belong to the tenant. In the case of a new tenant taking up the land, I think the incoming tenant should be made to pay for those improvements, or, if the landlord, he should pay for the improvements. I think the tenant should get full compensation for improvements.

73. *Mr. Matheson.*] Would the renewed lease be given at an increased rent?—In the case of an increase in the unimproved value I should say that would only be just.

74. Would that increased rent be decided by arbitration?—I think it should be arrived at by some fair method.

75. Do you think it would be a good thing if all the land in the colony were nationalised?—I should like to see the land bear all the taxes of the colony.

76. You think it would be a good thing if all the taxes were paid by the occupiers of the land?—Yes.

77. Do you realise that some years ago, when the prices of produce on the London markets were low, that the farmers had great difficulty in paying their way?—That is very likely.

78. When poor times come and the occupier of the land finds he has a difficulty in paying his way owing to the low prices of produce on the London markets, do you say that the farmer should pay his old liabilities incurred during the time of low prices, in addition to the present demands upon him; could he possibly do so?—Yes; I think he could, quite easily.

79. Do you not think, if the whole of the taxation were paid by the occupiers of the land, it would discourage people going on the land in order to make a living?—No, it would encourage them.

80. *Mr. McCardle.*] Do you not think, as a single-taxer, that you ought to open your eyes wide and consider the question very carefully before giving expression to opinions such as you have submitted to us? Is it not a fact that the workers on the land to-day are the poorest men in the colony, and that there are very few who have the property absolutely free?—No. I know many farmers. A young man takes up land and goes in for farming, and he has his life before him. He has perhaps a hard struggle for thirty or forty years, but at the end of the forty years he is generally pretty well off. It is generally forgotten that the land is the bank of the farmer. A farmer may spend several pounds a week on his land, because he knows that in course of time it will give him a return.

81. *Mr. McCutchan.*] Speaking about the rating question, although the rating on unimproved value will make it impossible for the big man to hold large areas of land unimproved, will it not also press heavily on the poor settler for a few years?—I would not say so.

82. Surely you must say so?—No, because the value of the speculator's land goes down, and he saves money by it.

83. Close to Dargaville we will suppose there is 100 acres of land, the value of which is £5 an acre, and there is £2 10s. of improvements. The owner of that land is not affected by the rating on the unimproved value because he is just on the line, as it were, but it makes a difference to a man whose capital value is £10, and has improvements to the extent of £7 10s?—Yes.

84. But, then, a poor man going upon 100 acres of bush land, for the first few years is taxed upon the capital value of the land. Would it not harass that class of settler?—No, because he would buy that land cheaper and thereby save.

85. But the Government, in placing their values upon their land, are not influenced in any way by the taxation of the local governing bodies, and, therefore, there can be nothing in your argument. Do you think it will increase the facilities for settlers getting upon the land?—Yes, it will put more people upon the land. The speculators will be unloading.

86. That being so, the unimproved value of the land increases, and there is, therefore, an increased rate revenue for roading?—Yes.

87. What did you mean by the expression you made use of a little while ago, "If the settlers understood the land question"?—I meant if they understood how the land question affects the towns as well as the country, they would be only too willing that their land should be revalued under the leasing system.

88. If you alter the incidence of taxation so as to get at the entire revenue of the country by means of a land-tax, you must recollect that city and town values will immediately fall enormously, and the burden will fall upon the part of the country producing the wealth?—No. It will not really reduce the land-values in the centres, because the land-speculators have got a fancy value on their land.

89. If the values fall in the cities you must increase the rate in the rural districts to get your revenue?—The rate would be the same, whether it was in the country or the town.

90. You maintain that there would be no disproportion as between the towns and the country? Certainly I do.

91. Would you carry this principle of the unimproved value into your own business?—Can you tell me the difference between perishable goods and imperishable.

92. If you were a capable business-man there would be very little perishable goods in your store?—But the land never can perish. The improvements put upon the land might perish, but the land itself can never perish.

93. *Mr. Paul.*] Do you think it is practicable to limit the area of freehold land?—Yes.

94. Would you give the Commission your opinion of the lease-in-perpetuity tenure as it now exists?—I should say that all leases should be carried for so many years, and at the end of that term the unimproved value should be taken, and the occupier pay his taxes on that unimproved value. That man and his children should have the right to be left on that land as long as they pay those taxes, and should be allowed to renew the lease every twenty-one years.

95. Do you think there should be any breach of contract between the State and the present lessees?—No.

96. You are aware that under the lease-in-perpetuity tenure the rent is the same for the whole 999 years?—Yes; but if the tenants were taxed on the unimproved value or had a land-tax, that would overcome the difficulty.

97. In some quarters there is an agitation to give Crown tenants the option of the freehold: do you think that would be wise?—No, because the land would pass out of their hands into the hands of speculators.

98. Do you think a poor man going on to the land has quite enough to do to improve his farm and build a comfortable home without attempting to buy the freehold?—Yes.

99. And if he does acquire the freehold it will probably be with borrowed money?—Yes.

100. Do you give that opinion from some experience?—Yes. I have rented land at £6 5s. an acre, which, twenty years before, was 10s. an acre, and a private individual got the benefit of the increased value. I could give many other instances.

101. Why would you abolish all further sale of Crown lands?—Because I do not think the Government have any right to part with the land, which belongs to the people as a whole, and not to individuals.

102. Then, if the Government have no right to sell land they have no right to lease it for 999 years?—No.

103. But, having entered into a contract you believe they should stick to it?—I should not care to say. I think, at any rate, they should pay their proper share of taxation.

104. We have had evidence to the effect that Land Boards should be made elective on a franchise which excludes the cities: do you think that is just?—I should say that the Land Boards should be elected, but I do not see why the cities should be left out of it, because the town lives by the country and the country by the town.

105. You think if there is any change the parliamentary franchise should be adopted?—Yes.

106. *Mr. Anstey.*] You said the introduction of the single-tax would encourage settlement on the land. At present the amount of the revenue raised by way of land-tax is, in round figures, about a quarter of a million. The Customs revenue amounts to nearly two millions. You say you would put the whole of the tax on the land, which would multiply the present land-tax by seven: do you think that would encourage people to go on the land?—Yes.

107. One of the first principles of good government is representation by taxation. Now, supposing the land bears all the taxation, would you suggest that the occupiers of land alone should have the franchise?—Certainly not. You have only to read "The Wealth of Nations" to see that they would not do so.

108. With regard to the rateable value of the Hobson County, I understand that the amount raised last year was £4,439 12s. 6d.?—Yes, and it was £900 less than that last year.

109. What subsidy will the Government pay on that?—I could not say exactly.

110. What grants have they spent in this county last year?—I do not know. I should say about £300.

HORACE HAMMOND examined.

111. *The Chairman.*] What are you?—I am County Engineer, and have occupied that position sixteen years.

112. What length of roads, approximately, have you in your county to keep up?—I could hardly say from memory. I did not come prepared with any figures, but should be glad to supply any detailed information later.

113. We are informed that you have many roads and very little funds to do anything upon them?—Yes, that is one of our troubles.

114. Do you get much assistance from the Government in the way of grants?—We have had fair assistance until the last two years, when we have been rather left out in the cold.

115. Of course, you are well off as regards navigable water, so, I suppose, your roads will be really a series of roads leading down to the navigable waters?—That is so.

116. I think you have very little metal in this county?—On this side of the river from Scarrott's, which is ten miles from here, there is no metal at all, but the rest of the county is fairly well provided. It pays us best to take the metal used as ballast by the vessels trading here.

117. *Mr. Matheson.*] Do you think it would encourage the farming industry in this district if the single-tax came into operation, and the whole of the revenue of the country was derived from the land occupiers?—I do not think so.

118. Do you think it would be a great improvement if Government grants were abolished and the local bodies had an assured finance by means of increased subsidies?—Certainly I do. I think the grants system is a failure.

119. Do you think such subsidy should be in proportion to the rate levied?—Yes.

120. What is the cheapest metal you import?—Dunedin is the cheapest port, but the ship gets the advantage of that. We pay the same price all round. We seldom pay as much as 6s. per yard for it at the wharf.

121. Is it broken metal?—Yes, broken at $2\frac{1}{2}$ in. generally.

122. *Mr. McCardle.*] Do you think it would be a good thing to introduce the principle of making the Government grants in proportion to the rates levied in the district?—No.

123. Do you not think it would be a good thing for the Government to grant £2 for every £1 raised by special rate for a special loan?—I do not think it would be a good thing to have to go on one's knees to the Government at all.

124. But the grants would be fixed by Parliament. There would be no knee business about that. If you have some special work to do, could you not do it by special loan under the Loans to Local Bodies Act, more especially if you had the assurance that the Government would grant you £2 for every £1 you raised for the purpose?—The difficulty is that the Government will not lend us the money. We have tried several times, but the Government replied that they had no funds available.

125. But, now that the Government is in funds again, they are granting applications for loans?—We have already borrowed some £8,000.

126. *Mr. McCutchan.*] Following up this matter of subsidies upon rates, would you make the subsidy strictly in proportion to the amount of rate collected?—Yes.

127. Would that not militate against the poor counties which had a low rateable value? Do you not think it should be a graduated subsidy in favour of the poorer counties, so that instead of giving you 10s. they gave you 12s. 6d., and a rich county 7s. 6d.?—Well, a poor county might say, "The more we rate ourselves the more the Government will help us," and they might say, "We will strike a higher rate possibly this year and get the higher subsidy, but next year we will reduce our rates."

128. You say you have applied to the Government for a loan: what rate in the pound is to be struck to meet that loan?—I could not say from memory. The County Clerk may be able to tell you that.

129. Was any reason given by the Government for refusing you a loan?—They were short of funds.

130. Many loans were refused on the same grounds, but now, when applications are being renewed, they are being granted?—A week or two ago we wrote again and asked for the loan, but we have received no reply yet.

131. Do you do most of your work here under the contract system?—Yes, most of it; but we have five surfacemen on regularly for odd jobs and repairs.

132. Have you observed the working of the co-operative system?—Yes; we have tried it, and found it a failure. It has cost us 25 per cent. more for work than the contract system.

133. Have you observed expenditure by the Government on roads in this county?—Not sufficiently to criticise the expenditure, but I find that the work the Government have done has been very good work.

134. *Mr. Paul.*] What system does the Government use for roadwork?—Co-operative labour to a great extent; but, in some cases, they use contract work.

135. But you have just condemned the co-operative system, and yet you say the Government has done good work under it?—So they have, but I do not know what the cost has been.

136. Do you think the Government work under the co-operative system has cost 25 per cent. more than if it were done under contract?—I believe it has. I do not see how it could be otherwise.

137. What is the fault of the co-operative system?—The strong man has to work for the weak, and if there is a good navvy in a party he soon gives up the job and finds work elsewhere, or, if he does stay, he will say, "I am not going to do more than that brute," and he will not give his best work.

138. Suppose the men were allowed to pick their own mates, would it work successfully?—It might in some cases, but in some cases you would not get the work done at all.

139. One engineer in the north especially spoke highly of the day-labour system under competent supervision: have you given that a trial?—My experience is that day-labour pays well so long as you can pick your men; but it will not pay if you have to put on large gangs in a hurry, because you cannot pick the good ones. If the men are under a contractor, and the contractor finds a man is not doing satisfactory work, he gets rid of him.

140. But the county has to pay the contractor. Could they not also pay a supervisor. I should think the cost would really be less?—They could on certain works, but not on all works.

141. Has the rating on the unimproved value been a success?—This is our first under it, and it is too early to say yet. I do not believe in it myself. But that is only my own opinion.

142. I believe the majority of the Council were against it?—I could not tell you.

143. The majority of the people were in favour of it?—Certainly, the majority of those who went to the poll.

144. *Mr. Anstey.*] Who spends the Government grants for roads in the county?—Sometimes I do, and sometimes the Government Road Engineer.

145. Which has the best facilities for spending the money economically—the Government or the local body?—I think the local body.

146. Are the settlers in the county fairly well provided with roads?—Some are and some are not.

147. Can you say whether the loading on any settlement has been sufficient for providing access?—No, that is one of the failures with regard to loading, though I think the loading system is a good system.

148. Can you tell us to what point that loading ought to reach. Ought it to supply the main road to the settlement, and ought the road to be formed and metalled?—I would not say it ought to do the metalling, unless in the case of very rich land, which could stand the extra loading. But

I do not think it is possible to lay down a hard-and-fast rule. The Land Board would have to use their own judgment as to what the different lands will stand in the way of loading.

149. Do you think the loading ought to be sufficient to give a good summer road before the settlers are allowed to go on, and could the local body then be reasonably expected to take control?—Yes.

150. What subsidy was there for roads last year?—Mr. Lambert might tell you that.

151. What was the amount of Government grants last year?—About £300 or £400. Of course, that does not include the old grants which are still on the estimates.

152. Do you know if that was all spent?—We spent £150 which was handed to us recently.

153. Have the Government spent their share?—I think they have a little in hand, but the total was so small that there cannot be much in hand.

154. *Mr. McCutchan.*] Is there not one grave objection to the contract system—namely, that a large profit goes into the pocket of the contractor?—That only applies to big contracts, and the contracts in this county amount, as a rule, to only £100 to £500. There is not much profit in those cases, because there are so many men in the district who are in a position to finance jobs of that sort.

155. You would limit the contract system to small contracts?—I cannot say that altogether, because sometimes it might be absolutely necessary to let a large contract as in the case of a bridge across the river here. I believe we could still save money by letting a contract.

156. Is that not one exception that proves the rule?—Yes.

157. When a new block of land is opened for settlement by the Crown you advocate loading that sufficiently to give the settlers a summer road for vehicular traffic, and you say that it should then be handed over to the local body to do the rest. Well, the local body is getting its revenue from the settlers, and under such a system the settlers would have to provide the immediate cost of roading newly settled country. Do you think such a system would be equitable in view of the fact that the Government are borrowing largely annually for reproductive works?—If the Government stopped using borrowed money for roadworks and only used money for loading purposes, then the settlers could get their share of the Government funds by the increased subsidy tax.

158. If the settlers wanted to metal a road they would say, "We will pay a threepenny rate and will get 6d. out of that from the Government." The Government would then advance such money as a subsidy, which would come out of ordinary revenue, but the settler would pay the interest on the loading?—Yes.

159. And a proportion of the interest upon the subsidy through the Customs?—Yes, he would pay his share.

J. MOORHEAD examined.

160. *The Chairman.*] What are you?—I am a settler. With my brothers I hold 300 acres of land on the freehold tenure. We have been on this farm about two years. It is at Aoroa, four miles from Dargaville. We go in for dairying, and supply milk to the factory.

161. Is there anything you wish to bring before the Commission?—I do not know that there is, but I am ready to answer any questions.

162. What form of tenure do you think is best for the settlers and for the country?—I think the freehold is good, but I also think the leasehold is good. If I had had a chance of getting land from the Government under the leasehold system I should never have bought a freehold from a private individual; but when I bought there did not happen to be any other good land available in the district.

163. What is your reason for preferring the leasehold?—I think it gives a man of small means a good chance to start, and I think he is just as sure of a home, and, in fact, surer under a Government lease in perpetuity than under the freehold. Then, I believe a leasehold places some restraint upon a man, so that he would not be likely to speculate to the same extent as under a freehold. I do not believe this crusade originated with the Crown tenant. It was the speculator and the malcontent who started it. We know that under the leasehold it is impossible for a man to borrow money from a private individual. At least, I should say so. If he borrows money it must be on his personal property, stock, and so on, but the land belongs to the Crown. And it is difficult for a man to raise money on his stock, because the money-lender would naturally be very careful, because if he had to foreclose he would have to get the stock off the place and make his profit out of it. But, in the case of the freehold, the land does not run away, and all the mortgagee has to do is to foreclose.

164. You think it is an advantage that leaseholders cannot borrow readily?—I think it saves them from themselves in many cases. I believe if the Advances to Settlers Department was revised, and there was a little less red tape about it, money could always be advanced to a Crown tenant by the Government.

165. You still think it is an advantage that a Crown tenant should get money, provided he can get it reasonably?—Yes.

166. Have you had any experience with the Advances to Settlers Office?—None.

167. *Mr. Forbes.*] Are any of your neighbours occupying lease-in-perpetuity sections?—No; I know of none in the neighbourhood.

168. You have not seen any settled under lease in perpetuity?—Not here, but I have in Canterbury, about Rakaia and Cheviot.

169. Is it from your experience of these settlers that you favour the lease in perpetuity?—Not exactly. I have had no experience with the lease myself; it is only hearsay. Yet, from what I know of its provisions, I prefer it to the freehold.

170. Do you think it would be a better factor in helping to settle and improve this bush land in this part of the country than if a man sunk his money in the purchase of the freehold?—I do,

provided the tenant had confidence in himself, and provided his confidence was not shaken in any way, as it is at the present time.

171. You think that want of confidence in the lease is not justified?—I do.

172. *Mr. Matheson.*] Suppose a lease-in-perpetuity tenant of the Crown, after years of hard work, gets his place in thorough order, and accumulates savings enough to pay off the capital value, do you think it would be wise for the State to give him permission to do so?—I hardly think so; in fact, I do not think so. I believe the land should belong to the people, because then nearly everybody has a chance of acquiring a piece of land.

173. But suppose the whole country was settled and was being worked to advantage, what better chance would a new man have of getting land if it was held by tenants than if it was held by freeholders?—In that case, I suppose, there would only be an equal chance.

174. *Mr. McCardle.*] Do you think that the restrictions now imposed on a lease-in-perpetuity holder by the Land Board should be removed after he has completed his improvements?—I think so.

175. You have spoken in favour of borrowing under the Advances to Settlers Act, but you seem to think that a man should have no power to borrow from any other source?—I would not say that.

176. You are aware that there is a very large number of working-men whose capital is their labour, and they spend a good deal of that labour, until in a few years it amounts to several hundred pounds, and then they have to look round to see where they can find money with which to stock their land. Is it not a necessity that those men should be able to borrow to do that?—I suppose it would be. If a man has no property though, I do not know what he is going to borrow on exactly.

177. Do you not think that many people who hold lease-in-perpetuity leases now are anxious to change to occupation with right of purchase, so as to be able to borrow on advantageous terms and conditions?—That may be so on account of the dilatory kind of way in which the Government seem to deal with prospective borrowers.

178. I suppose you have seen there is a proposal to make things better, so far as the administration of the Act is concerned?—I have not seen it.

179. I think it is proposed to loan up to two-thirds of the value of the improvements effected on the land?—That would certainly be a liberal measure, to my mind.

180. You know this country fairly well?—Yes.

181. I am given to understand there are large blocks of land held by private individuals here?—Yes.

182. Is that land suitable for close settlement and for dairying purposes?—Yes.

183. Do you think the Government ought to exercise their powers under the Land for Settlements Act and acquire that land?—I do.

184. *Mr. McCutchan.*] You say it is almost impossible to borrow from private lenders on lease in perpetuity?—I would suppose so.

185. Are you aware that thousands of leaseholders under that tenure have been borrowing from private lenders all over the colony?—I am not aware of it.

186. Such being the case, and the rates of interest being generally higher than those charged by the Advances to Settlers Office, would you not think that one of the disadvantages of this tenure?—Certainly.

187. You state there is a want of confidence amongst leaseholders with their tenure: to what is that want of confidence due?—I believe, to the great deal of unrest in the country. There is a class of people throughout the country, and principally in the north, who see the land slipping away from them in this way. They are money-lenders, and they think, "Now, that man is a Crown tenant, and I cannot loan to him; I cannot get hold of his land. If I loan him money, well, I can only loan it on personal property, and when I take that personal property over I will have trouble in making provision for it." I believe they would do almost anything in the way of an agitation to discourage Crown tenants. I believe that is at the bottom of the whole trouble now.

188. You state that a lender will not lend to a man who has a leasehold, and seeing that that statement is contrary to fact, do you think there is much in an argument based on such a foundation?—I suppose the only thing I can say—and that would go against me—is, that where the private individual would benefit at all by lending to the leaseholder would be that he could buy the goodwill, probably.

189. By what means could he buy the goodwill?—If a tenant became discouraged in any way, and thought he had incurred more debt than he could get rid of, he might sell out.

190. Then, the lender would be in the same position as all the rest of the people in the colony, inasmuch as everybody else would have a chance of competing with him for the property?—That is so.

191. Would there be any danger in the direction you fear, inasmuch as the lender, if he did buy, would be subject to the land laws of the colony in regard to residence and improvements?—No; I believe that would be a deterrent.

192. *Mr. McLennan.*] When you purchased the 300 acres of land here, if there had been Crown lands open in this locality under lease in perpetuity, would you have been afraid of the agitation going on?—Not the least afraid.

193. You would have taken up the 300 acres of Crown lands just the same as if there was no agitation at all?—Just the same.

194. You would not be afraid that the Government of the day were going to break your lease?—No; because I would believe I was my own landlord as well as tenant.

195. How long is it since you have been in Canterbury?—Two years.

196. How do the improvements of the settlers under the Land for Settlements Act about Rakaia compare with the improvements of the freeholders in these parts?—That is a difficult comparison. The conditions are so different.

197. I mean in regard to fencing and buildings?—They are practically the same. I do not think there is any difference at all, in general.

198. Do you think that a man under lease in perpetuity will cultivate and improve his land equal to those who have freehold?—I do, judging from the fact that I have known many tenants renting from private landlords who attended to the property better than the owner.

199. Before the land-for-settlements policy came into force in the South Island did you know of any who rented land from the large proprietors?—Yes, many.

200. And what rent was usually charged for general cropping?—I have known land to be rented for this purpose at from 15s. to £1 15s. per acre.

201. *Mr. Paul.*] You think leasehold has been a success?—I think it has. I know it is in the south. I know the men are well satisfied with it.

202. If the land of the colony was all held as freehold, do you think there would be any difficulty in a poor man getting on the land?—I do, certainly. I think a poor man would be practically out of it.

203. You have had experience in the south: during your residence in this district have you come to the conclusion that the district is prospering?—Yes, it is prospering under difficulties.

204. Are these difficulties connected with land-settlement?—Yes.

205. What are they?—Large estates are held in this neighbourhood, and very little is being done one way or the other with them. Certainly, some land has been sold, and at a very stiff figure too.

206. You have experience of the working of the land-for-settlements policy in the south: do you think men are being put on the land on such advantageous terms under private subdivision as when the estates are taken over by the Government?—The Government give the best conditions.

207. Is there much difference?—I know two men in Canterbury, and I have known them all my life. One is a tenant of the Crown, and the other is renting land from a private landlord. The land is of the same quality, and the advantages and disadvantages are about the same. The tenant renting from the private landlord pays £1 3s. per acre, and has a five-years lease, or had two years ago, and the Crown tenant pays 6s. 9d. per acre. That ought to be enough for anybody.

208. *Mr. Anstey.*] We were told yesterday, coming down the Kaihu Valley, that most of that land is in private hands?—I believe so.

209. We have been told in evidence, until we are almost weary of hearing it, that the freeholder develops more determination and energy to improve his farm than a leaseholder. Seeing that that energy and determination are not apparent in the Kaihu Valley, do you think if that land was cut up and offered under lease in perpetuity, at least as much determination and energy would be shown in improving it as is now shown?—I believe there would be. I have my doubts, certainly, about the men at the present time, in view of the agitation that is going ahead; but I know in the south there would be no difficulty at all in finding tenants for every acre of it.

210. Do you think if large areas of that class of land were offered here there would be some difficulty in getting tenants to take it up?—There might be until this question is settled.

211. How many suppliers are there to the dairy factory here?—A dozen on this side of the river, and more from the other side.

212. Would that dairy factory be more profitable if there were more suppliers?—Yes; its output could easily be trebled, and more.

213. Would that add to the prosperity of this district?—Certainly; it is just the very thing we need. We have land that is particularly suited for close settlement.

214. How are the roads in this district?—We have one good main road, but the others are almost a poor excuse for roads.

215. Are there any Government settlements near you?—None nearer than Raupo, about twelve or fifteen miles from here. I have been all over that country. It is held in small farms of from 100 to 200 acres.

216. Are the settlers, generally, living on the land?—Yes.

217. Have they reasonable road-access?—The roading is very difficult there. They have a frontage to the river. I think they are fairly prosperous. The land is first-class.

218. Is their tenure lease in perpetuity or occupation with right of purchase?—I cannot say. I believe it is principally under occupation with right of purchase.

219. *Mr. McCordle.*] Is much of the land that is held in large areas in grass?—It is practically all in grass, but in a rough state. It is sufficiently good to carry stock. On our place we have very little land cleared of the rough growth, but it is capable of carrying a beast to the acre. In fact, we have one field, just below the cowshed, that has carried over a beast to the acre for eighteen months.

220. *Mr. McLennan.*] You know something about the cropping restrictions in the south: do you think it is advisable, after a tenant has done improvements to the extent of 30 per cent. of the capital value, besides, perhaps, an interest of 20 per cent. in the land, that he should be free to crop and farm his land as he thinks fit?—I do.

MATHEW GREGORY LAMBERT examined.

221. *The Chairman.*] What are you?—I am County Clerk. I have held that position for seven years.

222. What is the amount of your rate?—The rate on the present valuation will be £4,300, speaking approximately.

223. What is your total gross revenue?—About £6,000.

224. That is sometimes supplemented by grants?—Yes; but they are quite uncertain.

225. What subsidies do you get?—It has amounted to between £600 and £700. On the present valuation it will be £800 odd.

226. Is that money all expended, less the cost of administration, on roads and bridges?—Every penny of it.

227. *Mr. Matheson.*] How many times have you applied for the £5,000 loan the engineer referred to?—Five or six times.

228. Do you remember about the date when you first applied?—The latter end of 1893.

229. And when was the last application sent in?—About two months ago.

230. Have you received an answer?—Yes, to the effect that the funds in the Treasury were low, and asking us to defer the application for a little longer.

231. Can you explain how it is that some counties are getting loans under that Act, whilst your legal application has been repeatedly refused?—No.

232. *Mr. McCutchan.*] With reference to the subsidy, is it not the case that if a rate in excess of a three-farthing rate on the capital value is levied no subsidy is given?—That is a fact.

233. Do you think that is equitable?—I do not. I should like to repeat almost word for word what the Engineer said about a graduated subsidy. I think that would be equitable and fair. I think that as a county rates itself high or low the subsidy should be paid accordingly.

234. Do you advocate a graduated subsidy in lieu of grants?—I think it would be better.

235. Do you think that would give you an adequate finance?—I think so. I think this county is quite prepared to strike a high rate to get a greater subsidy.

236. Returning to the matter of the £5,500 loan, would that loan, in addition to the other loans applied for and got within the year, have exceeded the £6,000 maximum borrowing-power of the county?—No; that is not the reason why we did not get the loan.

237. *Mr. Anstey.*] What was the total of the Government grants spent this year in the county?—A little over £300.

238. Did you get any revenue from the timber industry?—None, except that the standing timber is rateable. The Government recently sold about sixteen thousand pounds' worth of timber, which passed through a block of land containing 15,000 acres of land fit for pastoral purposes. It is fairly good average bush land right through. We have asked the Government on several occasions since this transaction took place to give us some part of this royalty, in order to put a road through this Government block, but we have received no response. We asked for a grant straight out. It was impossible for the county to do the work alone.

239. Do you think it would be wise to provide that the local body could claim a certain portion of the royalty when the Government sell any block of timber for the purpose of making roads?—Certainly.

240. Do you think that would be better than going to the Government and asking for a special grant?—Certainly. If we had had a fourth of the revenue received by the Crown from the sales of timber in this district we should require no grants. We should be roaded right through the district.

241. You are striking a rate of 3d. in the pound. Have there been any objections on the part of ratepayers to pay that high rate?—None. We have just struck that rate.

242. *Mr. Forbes.*] Has any Government money been spent in this district independent of what the County Council have spent?—Yes. I cannot tell what amount, but some few hundred pounds have been spent under the supervision of the Government Engineer.

243. That is, in the direction of opening up Crown lands?—Yes.

244. *Mr. McCutchan.*] How are the gum-licenses fixed?—A naturalised British subject pays 5s. per annum, and a foreigner who is not naturalised pays £1 per annum. There are a thousand Austrians in this district.

ARTHUR JOHN STALLWORTHY examined.

245. *The Chairman.*] What are you?—I am a journalist living at Dargaville, and I have been in this district for twenty years. I have about 8 acres of freehold land in the suburbs of the town.

246. What are your views in respect to land-tenure?—My object in giving evidence before the Commission is in order to bring under your notice more particularly the conditions that have followed in consequence of private land in this district being held by a few persons. My main purpose is to show the expediency—nay, the absolute necessity—of the Government land-for-settlements policy being brought into force in this district. The greatest drawback to this district—and it has been freely stated from the platform and in the Press and at meetings of our various local bodies—is land monopoly. It is called a curse. There are two or three individuals—at any rate, under half a dozen—who practically own the whole district, and who control the price of land here. We have estates in the Hobson County the area of which are from something over 40,000 acres down to 12,000 and 10,000 acres. On account of this, fictitious values have been created, and this is greatly to the detriment of the working settler and the man who would like to take up land here. An agitation has been started—and will be prosecuted with vigour—against this monopoly, which, as I have said, is felt to be the greatest drawback to the district; in fact, it threatens the very existence of the district in the future. I may inform the Commission that a few years ago the Government was urged to take up the Mangaru Block of 20,000 acres. They were offered that land at 5s. 9d. or 6s. 3d. per acre, and it was eventually taken up by a private firm for something under 7s. an acre, and much of it has since been sold at over £2 an acre. A great proportion of that land still remains in the hands of one firm, and the land is carrying many hundred head of cattle. None of that land has been sold under 15s. an acre. Then, there is the Te Karaka Block, which is owned by the firm of Harding and Co., and there are one or two Auckland financiers in that firm. It is simply a land speculation. The area of the block is 12,000 acres. They bought the land at something under 6s. an acre. They have done absolutely nothing to a great portion of the estate but cut it up. They surveyed some roads, but have not formed any. That land is now bringing in from 15s. to £1 10s. an acre. I am quite on the safe side when I say that the owners are realising £1 an acre on it. That is an instance of how private ownership of large blocks has resulted in this district. These large estates are lying practically idle. There is a portion of one of these blocks of land between here and Aratapu, in respect to which I have the evidence of the

manager of the dairy factory that it would carry two thousand head of cattle—enough to support a dairy factory. The fact of the matter is that that land is only carrying at the present time about a hundred cows, owned by one or two freeholders who have got into this big estate. That land was bought at something less than 2s. 6d. an acre some years ago. It is now being sold at from £7 to £20 an acre. Mr. Moorhead, who gave evidence before the Commission to-day, is one of the freeholders on that land. They paid an average of £7 for the land, and they hold 300 acres. The owner of the land told them when they went on it that he would be willing to give them £50 on their bargain if, in addition to compensation for improvements, they were not satisfied with it afterwards. A little afterwards one of the brothers thought they had paid too high a price, and he went to the original owner of the land and asked him what he would give him for it. He said, "What do you want?" and the reply was, "£7." He then said, "What about the improvements?" and the reply was, "I will not give you more than £5." At the same time he has refused to sell adjoining sections at less than £10 an acre. That shows you how private ownership of land has resulted in this district, and that is, no doubt, the case in other districts also. That is a condition of things that we deprecate, and that we pray to be released from. We think that the Land for Settlements Act ought to be brought into operation in this district, and if that is done it will save the district from a period of stagnation which will occur as soon as the current cash is gone after the timber and kauri-gum industries disappear. Those industries are decaying very quickly. In respect to the dairy industry, the members of the Commission, no doubt, noticed how reluctant one witness was to give his opinion as to whether it was a success or not. The fact of the matter is, it has not been a success, and it cannot be a success until the conditions of the district are altered. It is the small working-farmer who makes the dairy industry a success. The last annual report of the Dairy Company shows that there are only ninety-four milk-suppliers to the Dairy Company—a company which at one time placed the largest order for dairy machinery that has ever been placed at one time in the colony. This is to a very large extent the result of land monopoly in this district. I may mention that if you want to build a house in this township you have to pay for the land from £60 to £150 an acre. The prices of land in the township are simply brutal. There is another matter which I wish to bring under the notice of the Commission, and that is in respect to our gum land. We have enormous areas of gum land here, and I am of opinion, after some experience and a good deal of observation, that there is hardly an acre of this gum land that could not be made productive under proper treatment. There is enormous wealth in the gum land that has fallen into the hands of private owners. These owners allow persons to dig on the land on paying a royalty, but they have so managed it that in this district there are a thousand Austrians, 99 per cent. of whom have not the slightest intention of remaining in the country. They send cash away out of the colony to a large extent, and in course of time they intend to follow, and they will leave the gum land absolutely bare. In order to give you some idea of the amount of wealth in the gum land, which will compensate the working settler for taking up the poor land, and enable him to make some money with which he can bring that land into a state of cultivation, I might mention that a few weeks ago a lease was given to some Austrians by one of our large landowners—a lease of 1,500 acres. I think it was a ten-years lease, and the Austrians have to pay £2,000 for the right to dig gum out of that swamp land. That land is practically worthless at present, as it has not been drained, but when it is left by the Austrians it will be worth from £1 to £5 an acre. The Commission will thus see how this national asset has gone into the hands of private owners, and how a few people are using the land to their own private advantage and to the disadvantage of the community. I would urge that some system should be adopted whereby the good gum land should be taken over by the Crown and let in sufficiently large holdings, so as to enable the occupiers of the land to improve it and cultivate it to advantage. I think it is a matter that the Commission might take a note of, as it seriously affects the prosperity of this district. The gum land here will carry grass. Rat-tail thrives on it, and paspalum does admirably on most of it, and danthonia will thrive on any of it. Much of that land can be made into useful country, and it is very suitable for poultry-farming. From the township there can be seen on the other side of the river a very large area of land covered with kahikatea. The land is of good quality. You cannot get any of that land from the private owner at any reasonable sum. I think it is high time that the Government took over some of these estates under the Land for Settlements Act and cut them up into small farms. If that were done it would be good for the dairy industry, and would promote the prosperity of the district and the colony.

247. Have the large landowners done nothing to improve this land?—No. They have even inserted provisions in the leases under which the land monopolists escape the cost of fencing and throws it on the man who takes up the land.

248. Have they sold much land at Te Karaka at £2 an acre?—Yes, a good deal of it.

249. Are these people willing to lease their land?—Only on conditions under which no Britisher would take up the land. These large landowners are not in need of the money, and they say to applicants, "If you want the land you must give us our terms." I recognise the difficulty in the way of bringing this land under the provisions of the Land for Settlements Act, on account of the fictitious value placed on the land.

250. Are there people in the district who would take up the land if it were thrown open?—I think there would be from a hundred to three hundred applicants for every section.

251. *Mr. Forbes.*] In connection with these leases, under which you say the tenants' improvements are confiscated at the end of the term, do you not think the State could prevent such iniquitous leases being entered into?—I think the State should guard settlers being dealt with unfairly in that way. I think that principles of equity and right ought to be established throughout the colony in land dealings as well as in other matters.

252. Is there any aggregation of large estates going on here?—It is only within recent years that the Mangaru Block was taken up. The Government would not take it up, and it was acquired by a private company. As I have said, a large area of land is already in the hands of monopolists. There is no large area of Crown land in the vicinity of the town.

253. You think that the land-for-settlements policy ought to be brought into force in this district?—I think that is the only way in which the prosperity of the district can be promoted and established.

254. Are there any gum reserves about here?—There are a few. There is an agitation to remove the restrictions from them and throw them open for settlement.

255. Is that land suitable for settlement?—The Ranger was through here some time ago, and one or two sections were considered, and it was decided to keep them open for two or three years until the gum was taken from the land. I know many small settlers in this district who, when cash was scarce, have been able to go on the reserves and earn a few pounds by gum-digging.

256. *Mr. Matheson.*] Do you want the Government to acquire some of these estates for settlement purposes?—Yes.

257. But at the present high market value do you think the tenants would be able to pay 5 per cent. interest to the Crown?—Yes. If the Government took over the land at the rateable value, which is supposed to be the market value, I am quite satisfied that the tenants will be prepared to pay that rent.

258. Can you say what is the rateable value per acre of the land comprising any of these large estates?—From 15s. up to £2 an acre.

259. Is that the capital value of the books of the County Council?—It is the unimproved value; but on many of these sections there are very few improvements, and therefore it is practically the capital value.

260. How is it that the people have not availed themselves of the opportunity to object to such a difference in the valuation?—These estates comprise a good deal of mixed land, and the Valuer strikes what he considers a fair value over the lot. Our experience has been that the rateable value is much below the actual market value.

261. You said you thought the rateable value was the actual market value?—I said it is supposed to be.

262. If the Crown took over this estate at the price at which private people are paying for portions of it, do you think there would be many applications from tenants who would be willing to pay 5 per cent. on the capital value?—No; not if the State demanded the price these people are demanding, for every one knows it is not the legitimate value. It is only a value demanded by the monopolists.

263. Do you think if the Austrians were to take up land that they would make good settlers?—Yes, some of them; but they have no intention of remaining here.

264. In the case of Crown tenants who are actually working the farms, do you think if they prospered that it would be wise to let them invest some of their savings in the capital value—that is, to pay off a part of it?—That opens up a big question, and I would rather not give my opinion on the point at this juncture.

265. *Mr. McCardle.*] Then, your real objection to the freehold is that it leads to the aggregation of large estates?—I did not mention any objection to the freehold.

266. Then, it is to the abuse of the freehold system that you referred?—Yes.

267. Do you not think it is desirable for the State at this juncture to pass an Act limiting the area of land any one person can hold under freehold?—Yes. I do not think that any man should have more land than he can use.

268. You have already expressed yourself in favour of some of these blocks being taken under the Land for Settlements Act?—Yes.

269. Can you say, if the Government took such blocks as you have referred to, whether you would include with them a larger area of second-class land?—Yes, and with a great deal of advantage.

270. *Mr. McLennan.*] Do you think, if the Government were to take over one of these estates under the Land for Settlements Act and throw it open, that the tenants would be afraid of re-valuation?—I do not think so.

271. Do you think there would be more demand under the lease-in-perpetuity system than under the cash system?—I do not think there would be any appreciable difference in the amount of hunger for the land, because the people here are anxious to take up land.

272. *Mr. Paul.*] Is the price of Crown land also high?—Ridiculously high.

273. To what do you attribute that?—The same cause. There are only two firms from whom you can get land here, and they are asking in some cases £150 an acre for land in this sparsely populated community, and that is an abnormally high price. I know that £75 was recently paid for half an acre.

274. Is the price rising, or is it stationary?—It is about stationary. I think it is as high now as it will be in ten years' time, when the population will be much larger.

275. Would you limit the freehold by the area, by value, or by means of taxation?—I would limit it by the value, and I would do so by law.

276. *Mr. Anstey.*] I understood you to say that you did not care to express an opinion as between the freehold and leasehold as a form of tenure?—Yes.

277. In any form of tenure do you think there should be absolute security, and that the occupier should be entitled to all the improvements he puts upon the land?—Yes; I think a man's own labour ought to be safeguarded. It is his capital.

278. Would you apply that to public reserves administered by Education Boards, City Councils, or other public bodies?—That is a matter that would require some thought.

279. With regard to kauri-gum reserves, supposing this land was thrown open on lease—possibly under lease in perpetuity—provided there were certain restrictions regarding grassing, do you think that could be done with advantage?—I think that the gum industry would be tremendously benefited by it. The gum market and the gum-digger have both been harassed very much by the present method of leasing these lands. We have a thousand Austrians in the Hobson

County, and they are sending their money away from the country. They work night and day, and they go through a swamp and leave it bare of gum, just like a fire sweeps over a prairie.

280. Supposing there were some regulations compelling the lessee to develop the gum land to a certain extent, would that meet the case?—Yes, from the settlers' point of view; but I would not advocate closing all the gum reserves. Many settlers during hard times fall back on earning a little money by digging gum, and that has helped many *bonâ fide* settlers to improve their holdings.

281. Supposing a thousand pounds' worth of gum were taken out of a certain area of land, how much wealth would remain on that land from which it was taken?—Absolutely none.

282. If £500 was spent on that same land in fencing or grassing, how much of that money would remain on the land?—It would all remain.

283. You said there was a considerable area of land here suitable for settlement under the land-for-settlements policy?—Yes.

284. In other districts the Government have sometimes acquired estates in consequence of petitions from inhabitants of the district. Has any petition been sent to the Government asking them to acquire some of this land under that Act?—Yes, several.

HENRY PAUL KAVANAGH examined.

285. *The Chairman.*] What are you?—I am Crown Lands and Forest Ranger, and I have been in the Government service for eighteen years.

286. You are specially charged with looking after the kauri forests in the Auckland Provincial District?—Yes, since December last.

287. Can you say, approximately, how much land is covered with kauri forest in the Auckland Provincial District?—Not the area of land, but the quantity of timber the Crown holds, in round numbers, is about 400,000,000 ft. of kauri, and private owners hold about 600,000,000 ft. In all, about 1,000,000,000 ft.

288. Is this private and privately owned kauri all fairly accessible?—The kauri is getting more remote, but there are better facilities for getting it out.

289. Have you any idea of the annual output of kauri?—About 143,000,000 ft., and of kahikatea, totara, matai, rimu, and other milling timber about 58,000,000 ft. That is, of course, in the Auckland Provincial District; and the quantity of milling timber other than kauri—that is, including kahikatea, rimu, and totara—would be about 850,000,000 ft.

290. In the case of kauri that would mean about seven years' cutting, according to the present output?—Yes.

291. Is there any waste that goes on in regard to the opening-up of these kauri forests?—Until recently it was usual to sell kauri only, and that really meant that the other milling timbers left were either allowed to remain on the land, or were destroyed by fire or other means. A great deal depends on the locality. In this district, for instance, which is a floating district, the kauri being a buoyant wood, there is no difficulty in floating it down the streams, but that is not so in regard to some other timbers. Within the last twelve months the other timber in the forest is sold as well as the kauri, so that the miller buys all the timber whether he removes it or not.

292. How is the estimate arrived at? Do you count the trees, and make an approximate measurement?—It has been done by surveyors and the Crown measurers. A return was prepared for Parliament some time last year.

293. I suppose it would be somewhat approximate?—I think it is fairly accurate. There may be isolated clumps of timber not measured, but that would not materially affect the figures. Of course, there is the risk of fires, and the habit of bleeding the trees by unauthorised persons in order to get the gum. If this continues it will go a long way to shorten the life of the forests. At one time there was a license issued to bleed trees and experiment up to a certain number, but no licenses have been given this year. But it is impossible to prevent people from going into the forests and bleeding the trees. The idea is that there is a great deal of profit in this kind of thing, and it would take an army of men to protect the forests from the depredations of these people. I think something should be done to prevent the gum-buyer from buying bled gum.

294. Is it easily distinguishable?—Yes; any buyer knows it at once.

295. Is there no penalty for bleeding the trees or for buying that gum?—No; but if the Department take my advice they will inflict a penalty, because while there are buyers there will always be producers. If the trees were bled judiciously there would be little harm done; but the idea is to get as much out of the trees as possible in the shortest time, and that means the quality of the timber deteriorates.

296. I suppose if the kauri was left alone it would reproduce itself in course of time?—It is a very slow growth. You cannot hope for much in that direction, because in getting out the large kauri-trees the smaller ones are destroyed, and if they are not used for making roads, bridges, and so on the first bush fire kills them.

297. So that, apparently, the kauri is doomed?—I think so. There seems to be a regular system of destruction.

298. Then, the sooner the kauri is converted into marketable timber the better, apparently?—Yes. It would be necessary to put a stone wall round it to protect it.

299. There are about 6,000,000 ft. owned by private parties: do they look after that at all?—They find it very difficult to preserve the bushes. They are more afraid of fire, because bleeding is a new thing, and they have not yet realised its effects. The practice is, after bleeding the trees, to remove the gum in time, and then the tree starts to bleed again, and when more gum is removed it bleeds again, and that is continually weakening the tree.

300. *Mr. Matheson.*] Do you know the royalty received by the Crown for kauri timber?—I could not say.

301. Do you think it would be wise for the Crown to hand a portion of the royalty over to the local bodies for local works?—I think it would be a good thing to hand over a very large proportion. I think they should have got it years ago.

302. *Mr. McCardle.*] Is much of the cut-out land suitable for settlement?—I would not recommend any one who wanted to make a living on the land to take worked-out kauri land, although there is no doubt some portions of it may be fairly good.

303. You have forest reserves where there is no standing timber at present?—Most of the forest reserves contain timber of more or less value. The difficulty at the present time is to know the proper kinds of grass to use on this land to the best advantage when the timber is cut off. Rat-tail grass grows well, but it is not fair to introduce that grass where there are other grasses, because it spoils the other grasses; but I think if the Agricultural Department would make experiments as to the best kinds of grasses for fern land and bush land it would be of great assistance to the settlers. The ordinary English grasses are not suitable.

304. Do you know if in any of the Government plantations any kauri has been planted?—I do not know.

305. *Mr. Paul.*] Are the main roads used to any great extent for carting timber?—Where the timber is being worked in large quantities by companies they generally make use of the creeks; but where there are isolated clumps, where it would not be worth while to make dams, they sometimes carry it out by road. What cuts the roads up mostly is the drays and packhorses, which are used for carrying supplies to the gumfields.

306. Do you think the timber industry should contribute something towards the roads and tracks?—Yes.

307. *Mr. Anstey.*] Do you think it would be wise to restrict the output of kauri?—I cannot say that it would be wise, because of the great difficulty of preserving it, and it cannot, I think, realise a much higher price.

308. Do you think it would be wise to raise the royalty?—I do not think so.

EDWARD JOHN MULHERN examined.

309. *The Chairman.*] What are you?—I am a settler. I have 200 acres of land under occupation with right of purchase, which I have held close on nine years. I am paying a rental of 5 per cent. on the capital value of 12s. The settlement is known as the Mangaru Settlement.

310. Are you satisfied with your land and with the tenure?—Very well satisfied.

311. Is there anything you would like to bring before the Commission?—Yes; I would like to state the manner in which we have been treated with regard to roads. I have been nine years up there, and have not got a road to the door yet, although the land has been loaded to the extent of 2s. 6d. an acre to provide roads.

312. Has the money been expended somewhere else?—There have been various attempts to form roads. In the first instance the line laid down by the surveyors was objected to by the local authorities. The matter was referred to the Commissioner of Crown Lands, and he said he had perfect confidence in his officers. Well, they spent £300 on that, and the money was thrown away. Another survey was made, and since then there has been £100 expended now and then. It takes about three years to spend the money after it has been voted, and then it is frittered away in expenses. The roads now are practically useless, but a bridge that has been built is still in use.

313. Did the bridge come out of the £300 expenditure?—I think so.

314. How far are you from any road over which a vehicle can pass?—For the next six or eight months you could not bring a vehicle to within three miles of me.

315. Is there anything else you would like to mention?—There are a few settlers holding land under lease in perpetuity in that settlement, and they asked me to say that they are well satisfied with their present tenure. The only thing they are afraid of is revaluation. They recognise that if their leases are surrendered, after a while the big man will step in and have the lot. If they took up their land on freehold, in the course of time there would be very few settlers on the land.

316. Do you know of any instances of such things happening?—I know of one man who owned 1,000 acres freehold, who bought out settlers who were dissatisfied, and until it came to the ears of the Commissioner of Crown Lands he was making the boast that he would soon have the whole lot.

317. That would not be a lease-in-perpetuity section thrown up and sold?—It was a transfer for a monetary consideration.

318. Was the 1,000 acres second-class land?—Well, it had never been classed. It was bought from the Natives, but I know that the Department would have classed it as first-class land. As regards the present administration of the Land Board, the settlers up there are well satisfied. There is a climatic reserve up there of about 2,000 acres. The kauri timber has been removed from it, and we have heard from time to time that it might be thrown open for selection, but I believe that can only be done by Act of Parliament. I hope it will be thrown open, otherwise the fires will go through the old workings and weeds will come up, and the land will be worthless to anybody.

319. Have you represented this to the Land Board?—Yes; but nothing has been done.

320. What do the settlers do with their land in that part of the country?—Some of them go in for dairying, but the factory is not close enough to me for that. I depend on the timber industry for a living.

321. Your farm is your place of residence?—Yes, and I run a few cattle upon it.

322. *Mr. Forbes.*] Are there many settlers in the same position as yourself, owing to the roads not being formed?—There are some seven or eight.

323. Would you say that your loading has been spent?—I do not know, because it goes on for such a time. The loading is a sore subject with the settlers. They know it is there, but they want to see the roads. They do not mind paying the loading so much if they could only get the roads.

324. *Mr. Matheson.*] Have you had any dealings with the Advances to Settlers Department?—No; but I believe the settlers who have are all satisfied.

325. Would you be as well satisfied if your lease was lease in perpetuity instead of occupation with right of purchase?—Yes; and I believe I will surrender it some day, because the State is the best landlord I have ever known. Some of the settlers get three or four years in arrears, but they are not turned off on that account. If I wanted to buy my place I should have to raise money on my improvements, and then I should be out of the frying-pan into the fire.

326. *Mr. McCutchan.*] You complain of the aggregation of estates in your district, and said that a man owning 1,000 acres of first-class land had bought out some of the settlers. Is that recognised in the district as first-class land?—I should think it is about the best block of land up there. It has good facilities in the way of water-carriage.

327. What was the area of the lease-in-perpetuity section he bought out?—200 acres.

328. Did he buy out any further tenants?—He tried to buy out another.

329. What was the area of that?—Another 200 acres, I think; but it was not allowed by the Department.

330. If there was good reason for refusing the second transfer there was good reason for refusing the first, so, I suppose, it was remissness on the part of the Department?—I should not like to say that, because they had to go on the man's statement.

331. Do you hold a brief for the Department?—No; but I would not like to judge the Department on a transaction of that sort, because the land was never classed by the Department.

332. Do you think it would be better to pay a heavier loading on the land, provided you had the roads made?—Yes; we would rather pay another 2s. 6d. an acre if we got the roads.

333. Is there much more land in your neighbourhood suitable for settlement?—About 2,000 acres.

334. You think the land you spoke of is absolutely useless as a climatic reserve?—Yes.

335. In what way is it supposed to be a benefit as regards climate?—I suppose it is to conserve bush for rain areas.

336. Do you think it is necessary that the rainfall should be increased?—No; we have too much of it now.

337. Do you know if there are any large areas held by private individuals which would be suitable for small settlement?—I think I know of one or two.

338. If some of this land was acquired, do you think there would be plenty of applicants under the lease-in-perpetuity tenure?—Yes. The Department had a chance of getting the Mangaroa Estate, but they did not avail themselves of it, and the owners are now cutting it up and getting a higher price for it.

339. Is there any land in the neighbourhood of Dargaville itself?—No.

340. Is there none up the Kaihu Valley?—Very little.

TOKATOKA, THURSDAY, 25TH MAY, 1905.

ROBERT MCKENZIE CLARK examined.

1. *The Chairman.*] What are you?—I am a settler and storekeeper. I hold 3 acres of leasehold in the township. I have been in the district over thirty years.

2. Is this district progressing year by year in a sort of satisfactory way?—Yes.

3. The farms are not very large around here?—No; they range from 80 to 300 acres. The settlers are engaged in dairying and cattle and sheep raising. There is a creamery here. The timber and kauri-gum are nearly exhausted in this district now.

4. Is the population increasing or decreasing on this side of the river?—The resident population is increasing.

5. How are you for roads into the farms here?—The roads are surveyed, but very little has been done to them. Only the main roads have been formed, and in some places metalled. We are in the Otamatea County.

6. Is the county administration fairly satisfactory to the settlers?—We hear a lot of grumbling about it. Too much goes in charitable aid—about 50 per cent. of the revenue goes in that direction. We are rated on the capital value. The greatest need of the district is metalled roads. We have good metal in the district, and it is well distributed.

7. How are the Tokatoka Swamp settlers getting on?—I am not in a position to speak of them. I hear them complaining that the drains are not quite satisfactory.

8. *Mr. Matheson.*] Have any of the settlers round here raised loans for road-making?—I do not know of any.

9. *Mr. McCardle.*] Do you know if the Advances to Settlers Department is working satisfactorily?—I think so, so far as I have heard.

10. Is there any land suitable for close settlement held in large holdings in this neighbourhood?—Not that I am aware of. The largest holding I know of is about 1,000 acres. The largest holdings in the district are Hardings's, but I know them by name only.

11. Are they suitable for close settlement?—Yes.

12. *Mr. McCutchan.*] Has there been a substantial increase in the value of land here?—Yes. Land that could be bought at 5s. per acre a few years ago is fetching £2 to £3 an acre now.

13. Have your relations with the Land Board been satisfactory?—Yes.

14. Are you satisfied with the way the Land Board is constituted?—Yes.

15. *Mr. McLennan.*] Do the settlers in this district go in for cultivation?—Not in large areas.

16. What do they grow?—Some early potatoes.

17. *Mr. Paul.*] Does your knowledge enable you to say whether the value of land has increased in the Tokatoka Swamp?—I think there was a bit of a boom there about two years ago, but it is slackening off now. I know people who refused £8 per acre for their land, which they took up from the Government at £2 10s. per acre. But they have erected dwellings and fences, and perhaps cleared the land a little.

18. Did many properties change hands at something about that price?—I know of three or four only.

19. *Mr. Anstey.*] Did any land in the Tokatoka Swamp change hands immediately after the ballot, and before the original successful applicants went on the land?—Not that I know of.

20. You say you are rated to the extent of 1½d., and that half goes in charitable aid. Do you know what proportion goes in the cost of administration?—No.

21. Do you import most of your requirements in the way of produce?—Yes, from the south.

22. Is any of the land suitable for growing the bulk of your requirements?—Yes, the flat land would be suitable, but it is used for grazing purposes at present.

23. What class of land is held in the large blocks near here?—High bush land.

24. Would it be suitable for farming in smaller areas?—Yes.

25. What is the nearest land of the Hardings's to this place?—About ten miles, at Horehore. They have about 6,000 acres.

26. *Mr. Forbes.*] Have you taken any interest in the question of land-tenure?—No.

27. Have you any definite view as to the tenure on which Crown land should be let?—No.

28. *Mr. McLennan.*] Are there any absentee landowners here?—A few, but I cannot say how many.

WILLIAM OSBORN THOMPSON examined.

29. *The Chairman.*] What are you?—I am a settler. I hold 150 acres of freehold. I have been here fifteen years. I represent to-day the local branch of the Farmers' Union. We have about twenty members.

30. What views do you wish to place before the Commission?—I have very few instructions from the members of the union. They wish me to state that the opinion of this branch is that the freehold tenure is the tenure they all desire.

31. Are some of your members on the Tokatoka Swamp that was recently opened?—Yes. There are only two at present that I know of. The bulk of our members are freeholders.

32. What is your opinion about the Land Board: has it been satisfactory so far as your experience goes?—I have had some experience with them, and I must say they have served me very well.

33. Do you think it is desirable to continue the present constitution of the Land Board?—So far as I am concerned, I approve of the present constitution.

34. Have you had any experience of the ballot?—Yes; I and my family have in several instances. We have always considered it a fair and satisfactory way of selecting land.

35. Has there been any aggregation of large estates in your district?—Not to any great extent. Several holdings have been increased to 1,000 and 1,500 acres. These places have been acquired section by section mostly from absentees.

36. Are there many absentees holding land in this part of the world?—There are a few. The absentee proprietors are principally being bought out by settlers in the district. Ours is not an increasing population, and that is one of the failings of the district.

37. The previous witness told us that the resident population is steadily increasing?—It is to a certain extent only.

38. *Mr. Matheson.*] Do you approve of the Crown offering their land under lease with the right of purchase?—Yes.

39. Should that right be restricted to any time, or should it extend to any time that the settler feels in a position to purchase?—I have had experience with that. My time was a limited time, and it suited me very well. At the end of nine years I received a notice from the Land Board to say that my right of purchase would absolutely cease. I consider that was a very reasonable notice, because it gave me time to collect the money to pay.

40. Suppose a man did not get on as well as you, and was unable to save the money in that time, do you think the Crown would be wise in giving him a longer period?—I should think it should be left to the discretion of the Land Board to deal with, because in some instances it is not an advantage to that man or to any one else that he should remain on the land. If a man cannot make enough out of a place in nine or twelve years to purchase it there is not much chance of him making enough later on.

41. Do you think it is wise to provide that if a man cannot purchase in twelve years his opportunity should cease?—I do not know that it is altogether wise, but I feel it is reasonable.

42. Does grass hold well on your land when you have got it into grass?—Yes.

43. *Mr. McCardle.*] Do you approve of the present optional system for the sale and the disposal of Crown lands?—I do.

44. *Mr. McCutchan.*] Is the aggregation you speak of going on in first-class land?—Not generally.

45. Do you cultivate any of your land?—Yes, several acres. We grow a little for horse-feed and pig-feed, and potatoes and fruit.

46. Is the land quite capable of growing potatoes?—Yes.

47. How many tons to the acre?—I cannot say exactly. We have generally good crops.

48. *Mr. Paul.*] Were you appointed delegate at a properly convened meeting of the union?—Yes.

49. Did you consider the order of reference?—We had not the order of reference before us. Our meeting was held before it was published in the district.

50. You simply discussed one question?—Yes, principally.

51. Is the value of land increasing in the district?—Yes, to some extent.
52. Are you acquainted with the settlement on the Tokatoka Swamp?—To some extent. I was continually there when it was first opened up, but I have not been there for a year or two.
53. Has that been a success?—I think so.
54. Has the value of land increased?—It appears to have.
55. The price put on it by the Government was £2 10s. per acre: do you know if any sales have taken place that have given the tenant value for his improvements and a profit besides?—I have heard of them, but I do not know for certain.
56. *Mr. Anstey.*] Did your Farmers' Union discuss the question of granting the freehold to existing lease-in-perpetuity tenants?—No.
57. Do you think they should be granted the right of purchase?—I do.
58. Do you think it is wise to upset a bargain already entered into with the State and offer them fresh terms?—In regard to acquiring the freehold, certainly.
59. What is the result of your observation of the settlers at Tokatoka: are those who have got land under the freehold improving and developing it any better than leaseholders?—There are no lease-in-perpetuity settlers in our district, and I cannot speak for those on the swamp. I have practically no knowledge of the Tokatoka Swamp settlers. I cannot express an opinion on that.
60. Do you think that a man who has been on the land nine or twelve years, and is not able then to exercise the right of purchase, should not be allowed to continue as a leaseholder?—I would let him, if he choose to do so.
61. If in twelve years he is not able to purchase, do you think he should be compelled to take up a lease in perpetuity without right of purchase?—It might come hard on the individual; but from my experience and what I have seen, I think, generally speaking, men who are not able to do anything with a place in nine or twelve years will not do much good with it at all.
62. You think it would be better that they should go off the land altogether?—I think so, generally speaking.
63. Have you given any study to the difference between rating on the capital value and on the unimproved value?—I have thought it out. I think rating on the unimproved value would be premature in this district.
64. Do you think that system is better than the other?—In a district a little better settled than this I think it would be.
65. Can you give us any idea of the amount of revenue spent on roads?—Our Councillor informed us recently that 4d. in a shilling was spent on the roads. The balance goes in administration and surveys and compensation for deviations.
66. We were told that 50 per cent. went in charitable aid?—I do not think it amounts to that.
67. *Mr. McCutchan.*] With reference to the opinion you expressed, that it is premature in this district to rate on the unimproved value, do you say that because that system would press hardly on new settlers?—My reason is that the district is not settled sufficiently, and it would injure a number of settlers who have not yet had time to make the necessary improvements. Personally, rating on the unimproved value would be a great blessing to me.

JOHN LEWIS EDSON examined.

68. *The Chairman.*] What are you?—I am a Crown tenant on the Tokatoka Swamp. I hold 365 acres under lease in perpetuity and 200 acres under occupation with right of purchase. I have been there a little over four years. I pay 4 per cent. on the unimproved value of £2 10s. per acre for my lease in perpetuity, and 5 per cent. on the same value for my occupation with right of purchase. I have to present the following memorial from the settlers:—

“ To the Chairman and members of the Royal Land Commission.

“ GENTLEMEN,—We, the undersigned Crown tenants and settlers resident on the Tokatoka Swamp, are of opinion that all holders of leases in perpetuity should have the option of acquiring the freehold, realising that the freehold tenure is essential for the successful and permanent development of this colony. And, further, those of your petitioners who hold land under lease in perpetuity desire to place themselves in the same position as the holders of occupation-with-right-of-purchase leases, and are willing to make up the difference of amount of rental accrued and interest thereon. We would draw your attention to the excessive hardships and loss we have borne as pioneer settlers through the lands being flooded each winter, rendering it unprofitable and the lives of settlers and their families a miserable existence. We would respectfully desire that, as local conditions improve, after having endured the privations, to look forward to convert our leaseholds into freehold tenure.” [Signed by twenty-three lease-in-perpetuity holders and occupation-with-right-of-purchase holders.]

69. Are you satisfied with your land and tenures?—I do not like the lease in perpetuity.
70. I presume you would like ultimately to make your land freehold?—Yes, and considering the hardships we have undergone I think it is only reasonable.
71. Are you a member of the Farmers' Union?—Yes.
72. The first witness said that the swamp drains are not acting very well in your settlement: is that the case?—Hitherto the draining has been in a very bad state. The ground is of such a tenacious character that it requires a very large amount of money to be spent on it. It is on a very low level, and before the sea-wall was put round the high spring tides flowed right over it. There are not sufficient drains. The Government drained alongside the roadside and put in flood gates in the first instance.
73. Was what was done efficiently done?—Not altogether.
74. Was it owing to bad workmanship?—I do not like to criticize too much. The place was new, and they have gained experience as they went on, but a lot of money could have been spent more judiciously.

75. What is the extent of the settlement?—About 20,000 acres, and of this about 5,000 acres is still bush.

76. Has any Drainage Board been instituted in the district?—We are just about to form a Drainage Board now. A Drainage Board is needed to make a success of the place.

77. How many settlers are interested in the drainage generally?—I should say about forty settlers.

78. Is your creamery fairly successful?—No, the roads are a great drawback.

79. *Mr. Matheson.*] Have any Government grants been spent in your district during the last four years?—A few. £100 is being spent now on metalling the road from the wharf, but it is only a drop in the bucket.

80. *Mr. McCordle.*] Have you had any experience of the Advances to Settlers Office?—No.

81. Are you satisfied with the Land Board?—I think it would be better if we had more direct representation. I should say there ought to be at least three Crown tenants elected by Crown tenants to represent them on the Board.

82. Suppose the expenses of the election are too great, would you approve of a medium course—namely, the appointment of Crown tenants by the Government to represent the other tenants?—No; I would not approve of that.

83. Then, you do not approve of the present constitution of Land Boards?—I would rather see a more democratic system adopted.

84. *Mr. McCutchan.*] Has there been an increase in the value of land at Tokatoka?—Yes, some.

85. To what is that due?—I suppose some of the first settlers were greatly disgusted and took their places.

86. Was the taking up of the land at first largely experimental?—Yes.

87. And the settlers going on the land took that risk?—Yes.

88. And if the land had not turned out satisfactorily they would have had to bear the brunt of the loss?—Yes.

89. And you think so far as it has turned out right the settlers are entitled to the increased value?—Most certainly. Considering the hardships of the last four winters, it is greatly to the credit of the settlers that they have stayed there.

90. *Mr. Paul.*] Was there a large number of applicants for these sections?—At the last ballot there was an unusually large number.

91. Was that after the intending settlers had seen the progress made by the first lot?—I do not know. I think a good many flattering remarks had been made of the place by people who had never seen it that were not altogether justified.

92. There have been a number of sales?—Not a great number.

93. Is it a fact that some have changed hands at a highly increased value?—Yes, some have made something out of them.

94. Was it a mild land boom?—I think it was. I do not think the value was there. The land is too expensive to get into a high state of cultivation. I have been drowned out too many winters now. I lost at least £300 in the flood last winter through loss of grass.

95. Could you sell to-day at a profit?—No. I could not get my own money back.

96. Does that apply to the whole settlement?—I cannot say. Some people have made great improvements, and some are better situated.

97. What is your objection to the leasehold tenure?—So far as I see I do not think there is the security in it that the freehold gives.

98. In what way?—If you have the freehold the land is your own, and you put your whole body and soul into the land, and spend every penny you can get on it. But these cries for revaluation and a Fair Rent Bill take all the heart out of a man on leasehold.

99. Is the agitation for land-nationalisation also shaking your faith in the security of the freehold tenure?—So far as I can see the freehold is the one secure tenure, and if we can get freehold we will feel secure. If the people leave the leasehold alone I think the fears of the leaseholders will be allayed.

100. In using your two sections do you discriminate in any way in the farming of them?—Certainly I would not put expensive buildings on the lease-in-perpetuity section.

101. Do you know of any lease-in-perpetuity holders who have put expensive buildings on their sections?—Yes, one or two have got decent houses on them.

102. Do you think they are secure?—They do not think so. They were quite satisfied when they took up the lease, but since then there have been so many cries for revaluation and attempts by different classes to upset the tenure that they do not feel safe.

103. Do you honestly believe that a majority of the people of this country would break a bargain entered into by the State?—I do not think there is a majority.

104. Then, there is no danger of retrospective revaluation?—One never knows. I see that a candidate for Parliament named Barclay, who gave evidence before the Commission at Dunedin, said he would break any lease or contract.

105. Do you know you are quite wrong in saying that?—That is what I understood people to say.

106. Was that reported in the Press?—I cannot say.

107. He was a witness who said he would never interfere with the present leaseholders?—I am glad to hear you say so.

108. *Mr. Anstey.*] In regard to the cry for revaluation, can you say that at any time you heard any responsible body advocate it, or have you only seen it so reported in the papers?—What I have seen in the Press.

109. What Press do you read?—The *Herald* is the main paper here.

110. Can you tell us what price was given for the sections at Tokatoka that have been sold?—I gave £4 10s. for one lot. That included the improvements.

111. Would that £2 increase more than cover the value of the improvements?—Yes.

112. Have any sections changed hands at a higher price than that?—One was sold at £10, but it was a real good section held under occupation with right of purchase. It was all in grass and in a high state of cultivation.

113. Was the £7 10s. increase much more than the value of the improvements?—Not a great deal.

114. Would that land be much more valuable if you got efficient drainage?—It would.

115. Do you think it would have been better if the Government had spent more money and properly drained it before opening it up, and then charged more for the land?—Yes; we would have been the gainers in the end. We intend to complete the drainage as soon as the Board is set up.

116. Do you think it is better to form yourselves into a Drainage Board, and rate yourselves and get a fair subsidy, than to depend on the Government for grants?—I think so.

117. Are the 5,000 acres of bush settled yet?—No. It is leased at present for the timber rights.

HENRY HOLDEN WALTON examined.

118. *The Chairman.*] What are you? I am a settler. I hold 300 acres at Raupo—100 acres under freehold, 40 acres under occupation with right of purchase, and 160 acres of educational reserve. I have been here fifteen years.

119. What tenure do you favour?—Freehold.

120. Are you going on fairly well?—Yes, after a great struggle.

121. *Mr. Anstey.*] What is the term of your education lease?—Twenty-one years, and I have the right of renewal.

122. Is that a satisfactory lease?—Yes, so far as it goes.

ON BOARD S.S. "GOSFORD," WAIROA RIVER, KAIPARA, THURSDAY, 25TH MAY, 1905.

PATRICK MOLOUGHNEY examined.

1. *The Chairman.*] What are you?—I am a settler and storekeeper at Tikarika, and have been in this district twenty years. I desire to bring under the notice of the Commission two matters. The first is with reference to the ballot. My son was successful in the ballot for a section of land. We paid the usual deposit, and subsequently received a letter from the Land Board stating that an error had been made, and that the land had already been disposed of, and returning the deposit. I also desire to draw the attention of the Commission to the fact that I hold some leasehold land, and also a section under occupation with right of purchase. The distance between the two sections is only about a mile and a half. I received a communication from the Land Board stating that residence was necessary on the occupation-with-right-of-purchase section, and adding that the land might be forfeited if the condition as to residence was not complied with. My occupation-with-right-of-purchase section has not been forfeited so far, but I think it is very hard that residence should be necessary under the circumstances.

The Chairman said that these questions were purely matters of Land Board administration.

HELENSVILLE, FRIDAY, 26TH MAY, 1905.

RICHARD MONK examined.

1. *The Chairman.*] What are you?—I am a settler, and, with the exception of a few years spent in travelling in other parts of the world, from my infancy I have been a resident in the Provincial District of Auckland. I have had considerable experience in connection with the settlement of the land. For the last thirty years I have been engaged in making farming homes for myself and some of my sons. I held about 1,000 acres of freehold at Woodhill, near Helensville.

2. Do you approve of the present constitution of Land Boards?—My opinion is that in harmony with our democratic professions Land Boards should be half-elected and half-nominated.

3. Under what franchise?—I am not very decided upon that, but I think I express the views of the farming community generally when I say that I think the interests of the settlers should be fully represented on Land Boards, and that might be done through election by the County Councils and Road Boards.

4. Do you not include the towns as well?—Not for rural land. I consider that the interests of the cities and of the cultivators of rural lands are absolutely distinct, and I am sorry to say that in many instances they are, by legislation, made to be antagonistic.

5. You think the franchise should be confined to County Councils and Road Boards?—To those who are interested in the operations in respect to land that are controlled by the Land Boards.

6. But people in the towns are also interested in the settlement of the land?—Comparatively little. Perhaps I might more clearly explain myself by saying that, in my opinion, there is no more reason why land should be specially taxed than there is why boots and shoes should be taxed. It has simply become a usage of legislation because that land is specially tangible, and it cannot be concealed and removed as is other and more valuable property that is easily removable from

the grasp of the tax collector, but that should also be equally taxable. I think there should necessarily be separate Boards to control the city interests, and another form of practical knowledge to control the country interests. I feel that the Land Boards as at present constituted are unilateral.

7. With regard to the tenure of the land—leasehold or freehold, or both—which system do you think is more likely to advance the interests of the colony and the interests of the settlers?—If you will allow me I would like to make a general statement on the question. I should like respectfully to say, as your order of reference embraces almost every form of hardship suffered by the country settler, that I speak with the experience of a country settler, and as one who is familiar with the feelings of country settlers and who has their interests in view. I beg to say that, as a settler and taxpayer, I utterly disapprove of this Commission itself. I do not say so in any rudeness, but for the reason that I think it is absolutely unnecessary, and, if I might express myself strongly, I should say that I feel some political aversion to the people who could inflict upon a colony such as ours the disparaging farce of such a Commission, and I hope sincerely that the country also will remember with political aversion the men who have been the cause of the Commission being appointed.

8. I hope you exclude the members of the Commission itself?—Yes, present company is always excepted; but it is necessary for one to speak a little brusquely on this matter, because my belief is that the country people as a whole are strongly in favour of the freehold tenure. I believe that you will agree with me that the existence of a landed proprietary in the Old Country has impressed on the minds of the masses of the people living around them a yearning for the freehold tenure, and that feeling has brought thousands of people out to this colony with the object of getting a patch of land entirely their own. I have always been strongly in favour of the Government leasing the Crown lands for the purpose of enabling persons with scanty means to get on the land, and thus begin to form homesteads and comfort for themselves, but such a lease should always be associated with the option of ultimately acquiring the Crown grant. In 1887, in Parliament (perhaps you may remember), I strongly advocated the giving of the freehold gratis to those who made their home upon our northern lands. I argued that the State would gain by so doing, rather than by allowing the land to lie idle, and I contended that the gift would be a very small return for the pioneering hardships endured by them on account of the want of roads and the paucity of communication. Of course, that would practically mean the reinstatement of Mr. Rolleston's Homestead Act, which I regard as the very best effort that has ever been made to settle our northern land. It has been stated by witnesses who have given evidence before this Commission that the system of leasing Crown land had its inception under the Act passed by Sir John McKenzie. I would like, however, to say that, with the exception of the 999-years lease, that statement is incorrect. I think you, sir, had something to do with the Land Act introduced by Mr. G. F. Richardson. Under that Act he threw open for settlement a block of land at Woodhill, close to Helensville, and selectors had the option of taking up either by cash payment at the time of selection, or by leasing, with an opportunity of converting their holdings into freehold at some future time. That land was let at a much lower rate than the same quality is at the present time. That experiment resulted very successfully. I desire to state that I consider the present withdrawal of the freehold option in connection with the disposition of our Crown land to be an audacious attempt on the part of a few faddists and cranks to warp the best and thwart the strongest predilection of the farming community of the colony, and ultimately to enslave the rural class. And, further, they also hope to secure in the report which this Commission will ultimately furnish to the country an official declaration that the people of New Zealand have recanted and denounced the traditions and the hereditary instincts of the race to which we belong. I may state that I am a freeholder by heredity and instinct, and I have that instinct very strongly in my nature, and, in addition, I may say that I have studied this question of land-tenure for very many years. Agrarian vagaries are by no means new, and the world's history is so old and ample in precedents to furnish the text-book to guide our statesmen of to-day, and surely this Commission should have been furnished with a single instance as a pretext for its work which will go to show that an intelligent, enterprising, and a progressive community, such as the English people are, were willing to remain as a State tenantry. I affirm that history does not furnish a single instance. Solomon informed his time that there was nothing new under the sun, and with masterly touch he gives directions on every phase of sociology, but he did not dare to risk his crown or his reputation for wisdom by traversing the Jewish prejudice for an inalienable tenure. And Aristotle, two thousand three hundred years ago, in one of his works, epitomized almost every form of policy and Government, but he omitted to suggest even that the citizen should be a tenant of the State. Nor do I think that he furnishes a word that drapers, grocers, or tinsmiths can cite as an authority that the State will be a more lenient mortgagee or landlord than any private individual. In fact, all that is best, enduring, and safe in the politics and Governments of to-day are but amplifications of the principles outlined in the sentences of the great minds I have named; and there is nothing that gives authority to the conception that communities as a whole consider a State tenantry to be an acceptable relation for them to occupy in the commonwealth. On the other hand, I could furnish many instances which would be a very substantial proof that the surrender of the freehold tenure by a people has invariably ended in their slavery and degradation. There was a time when Egypt possessed its yeomanry class, and there came a period of successive years of redundant harvests and of prosperity on the part of the agriculturists, and the corrupt hierarchy of the governing class of Egypt, with a clever Jew for their manager, adopted the policy of storing the overflowing surplus, and, as is usual, those redundant harvests were followed by periods of sterility, and the merciless wheat-combine exploited the freehold tenure of the agricultural class in exchange for wheat to keep the people alive and re-seed their fields. The consequence is that to-day we have the fellaheen of Egypt, a very downtrodden class indeed. Large portions of India have been overrun by military conquest,

and no doubt the sternest resisters were put to death and the remainder were permitted to live on the condition that as State tenants they had to till the soil for their rulers; and I ask you, can you find a more soulless class than the poor ryots of India? Ever since humanity aggregated itself into communities there have always been faddists and monomaniacs, and an unthinking multitude around them ever ready to regard as an evangel the man who in plausible language would outline to them a short cut to make "the other fellow" pay for them. Matthew Decker, in 1743, issued a pamphlet on fiscal matters in which he proposed to raise all the revenue by taxation upon houses. There are some modern theorists who want to raise all taxation from the land. But here are two experts as opposite to each other as a calf's head is to its tail. Matthew Decker was a very clever man, and his pamphlet went through seven editions in twelve years, and produced as much excitement in the community as Henry George's "Progress and Poverty" has done during recent years. He was a successful merchant, and was a member of Parliament, representing Bishop Castle, and, in fact, was rather an eminent man. He had this advantage in his argument—of course, he depended a great deal upon the plausibility of his theories—that he claimed there should be equality of sacrifice, and, while he exempted the houses of the poor, he proposed to impose the tax entirely on the houses of the well-to-do, and, as everybody lived in a house and secured the comfort which a dwelling and good Government affords, he contended that it would be only by equality of sacrifice in the revenue being raised on houses, in the shelter of which he may have located the "privilege," instead of in the land. The matter, as he presented it, was very plausible, and created great interest, and, as I have said, he was an able man, and—like our present Premier—was remarkably good on surpluses, and he undertook to have a surplus every year of a million, but, unlike our Premier, that surplus was to be devoted to the gradual liquidation of the national debt. I merely mention this to show that in past years there have been vagaries in respect to land-tenure, and particularly on the part of those who have no practical knowledge and who do not use the land. I claim that only those persons are fitted to give evidence before this Commission who have a practical knowledge of the question. For instance, I believe that you, Mr. Chairman, are a member of a very respectable body called the Surveyors' Institute. Now, the surveying community may have grievances, and the Government might set up a Commission to inquire into those grievances, and, if possible, to remedy them. What, sir, would you think if such people as farmers, tailors, sailors, and tinsmiths were allowed to give evidence before that Commission upon a subject of which they have little or no knowledge. It is just the same in the present case. It is only those whose avocation and training have associated them with the using of land who are qualified to give evidence before this Commission. I claim that the farming community all over the world is a class, just the same as cotton-spinners, tailors, or drapers, and they have their own special proclivities and idiosyncrasies, and only those engaged in farming can understand the feelings of this class. It is a strong argument against the lease in perpetuity without the freehold option that the Government insist upon the appointment of official Inspectors as necessary for the protection of the public interests. I am of opinion that official surveillance has a tendency to destroy that competitive individuality which is the making of a people, and which has especially been a characteristic of the British people. My opinion is that, in the interests of the State and the individual, every farmer in the country should be at liberty to cultivate and use his farm at the direction of his own judgment, supported by experience and even by experiment. I think you will agree with me that the higher the technical knowledge and practical skill a person possesses upon any subject the more galled will he feel if he is required to subordinate his operations to the direction of even a capable person, and how much more so if not capable, and everybody knows that persons are sometimes appointed to such official positions who have been failures in private enterprise, and their positions are conferred upon them as a reward of political fawning. The system which we are practising now I claim to be as bad as the notoriously objectionable farm bailiff and estate steward of the old world, and it is worse, for this reason: that private enterprise in its own interest will always strive to secure the most efficient men for such positions, while here the best credential of ability a man may exhibit is an obsequious resource as a strenuous political canvasser. Another point is this: I believe that to the thoughtful occupier of leasehold land without the option of the freehold the rent will always have the quality and character of a mortgage, with the equity of redemption reduced in value at the expense of his improvements, and the more a leaseholder improves his place the more will he feel fretted at the inelastic nature of the conditions controlling his tenure. Referring back to the Woodhill property as an illustration, those people who are holding that land and bringing it into order will have to expend upon it from £4 to £6 an acre in preparing it for farming purposes, and suppose they had not the option of converting the lease ultimately into freehold—which they will do—they would be mortgagors, and the Government would be absolutely mortgagees for the 14s. or 16s., which is the upset price of the land for all time. I say we would have to go to Russia itself to find a case of inequity so striking as that. The freeholder, whether actual or prospective, feels a pleasure in improving and beautifying his home, even if in adjusting its worth to the market-value he has to write off something from the cost of those improvements. I also assert this as my belief that the freeholder will endure with more fortitude the vicissitudes and fluctuations of seasons and prices than will those with only a leasehold tenure. The country has been committing itself to the expenditure of large sums in the purchase of improved estates, and, in some instances, I know they have made good bargains. For instance, take the Cheviot Estate. The Government expended an amount in road-making in that district which, if spent in the same proportion in the north, would have resulted in our having three or four times the population we now have. They thus put a bonus on all the Cheviot land. There are, however, more estates which have been purchased by the Government that have been boomed by the fortuitous buoyancy of the prices of our produce, for the maintenance of which there is no assurance of enduring reasons that they may not be seriously modified or reversed; but there is no responsibility for the future of the farmer, whose welfare may be controlled by prices with which he may not be able to pros-

perously compete. I was very much impressed a short time ago by the fact that the Dominion of Canada admitted into its union three territories as new provinces, each of them with an area of 250,000 square miles, or nearly two and a half times the entire area of New Zealand, and most of that land is known to be of excellent quality, and is open for free selection and purchase at nominal rates for cash. In comparison, when you deduct our mountains and barren tracks, this colony is only a scrap. The leaseholders of New Zealand in the course of a few years may have to battle with the enormous output which in time will be produced by these enormous territories, and I think it is quite possible that there may be such a clamour for reduced rents, at the expense of the general taxpayer, as will be irresistible. But, in my opinion, the prudent statesman will make no loss, but will now provide against complications by affording facilities for the acquisition of the freehold. In my belief, the fitting Minister of our Crown lands is the man who will earnestly strive to have the leaseholds and freeholds taken up, not by speculators but by those whose aim is to make homes for themselves, and to encourage them to do this he will radiate their plans, with the hope of making their leaseholds their savings-bank by ultimately investing the fruit of their thrift in the cost of the Crown grant. I speak like this simply on account of the country which I dearly love, and, although I have very few years more to live, still, I have sons who will have to toil for a livelihood, and some of them I helped to put upon the land. I say, emphatically, that the Minister of Lands for this country, if he is a wise and patriotic thinker, will fearlessly assert that the nutriment of true liberalism is the freehold tenure for the people's homesteads; that it ever was and is still the desire of all the best races; that it is an influence surpassing all other influences to impress upon the minds of the people a sense of inhabitiveness inspiring them with an appreciation of the blessings offered, and also ingraining their sentiments with the love of country. Perhaps these feelings are somewhat foreign to the gentlemen of this Commission, but there are those who have dwelt on their freeholds for years, and in their case the feeling is intense and genuine. I will just mention two other grievances which I feel, and which feeling is, I think, common. The Premier has gone round the country and stated that the taxation on land should be largely increased, and that the valuation of land ought to be increased by twelve millions. Now, that was an instruction to valuers, which, I take it, left an impression of oppression in the minds of the occupiers of the land that the Premier should not do. As a result I think the values of land have been inflated in many instances, and that such values have been put on homesteads that, after deducting the cost of management and the payment of wages, very little indeed is left for the occupier. There is another inequitable condition I might mention. A little while ago we had an Assessment Court here. There was a very nice gentleman presiding, no doubt an expert in law, and on one side of him was an architect and on the other a gentleman who, although not a user of land, is a well-known single-taxer. The values were raised all round. There was considerable objection to them, but the land valuer sustained his position by simply asking the objector who had leased land whether a certain price per acre had not been inserted by him in a purchasing clause of the lease, mentioning a rather high price of a very distantly prospective purchase from an owner disinclined to sell as a reason for inflating the value of all the surrounding land. I think the remedy for this would be the appointment of a person with practically a local knowledge to assist the Magistrate. Another point, to be brief, is this: that if the Government buys an improved estate and finds it has made a mistake, I think it is unjust for them to start in opposition to other farmers by stocking the land and paying for an expensive staff. I know of an instance where an estate has been bought at something like £3 to £4 an acre, and in one instance where the interest on purchase is approaching £4,000 per annum, and the Government have put about 150 or 200 hundred head of cattle on the land and appointed an expensive staff, and thus have gone into competition with farmers. I think that is unfair. I shall not say any more, but thank the Commission for its patience.

9. *Mr. McCardle.*] You are strongly in favour of the freehold: would you grant the right of acquiring the freehold to holders of lease-in-perpetuity lands?—Yes.

10. Under what conditions?—I think it is only reasonable that they should pay the interest which would be demanded in the case of an ordinary mortgage by the Government.

11. Would you be in favour of restricting the area which any one individual can hold?—Yes.

12. Do you not think that can be accomplished by an amendment of the Land Transfer Act?—I think that legislation can do anything, except turn a man into a woman or a woman into a man.

13. Are you acquainted with the South Island and the conditions of settlement there?—I do not like the method which is now practised, of the Government borrowing money in the Old Country. It means that so-much of our produce is being placed in the hands of the foreign bondholder for expenditure outside of the colony, and this, I think, has been universally admitted to have been one of the great causes of the unsatisfactory position of Ireland.

14. I suppose you are aware that the land-for-settlements policy in Canterbury and Otago has generally proved a marked success?—Yes; but during the last few years there has been a great buoyancy in prices. We hear of farmers getting £1 and £1 1s. for sheep, for which only a few years ago they sold at 9s. 6d.

15. You propose an alteration in the constitution of Land Boards. Do you think that any ordinary man could contest an election for such a large land district as the Auckland Land District?—I think the Land Boards should represent the people who are interested in the land; but I do not think they should be elected on the parliamentary franchise.

16. Do you think that if an elective system were adopted that the number of members of the Board should be increased from four to seven, and that country districts should be represented by settlers having a practical knowledge of the country?—Yes; but the number is a matter for consideration.

17. Have you any knowledge of the working of the Advances to Settlers Department?—Yes, but not as a borrower.

18. Has it proved a success in this district?—I do not think that Department had anything to do with the reduction in the price of money, excepting perhaps hastening reduction by a few months. I consider that the price of money is ruled by the great markets of the world.

19. In regard to advances to settlers in this district, have their applications received prompt attention, and they have been liberally treated?—I know of many settlers who have been treated badly—their applications did not receive prompt attention.

20. Do you not think it would be fair if you made advances on a settler's interest in his lease?—I do not see why a reasonable advance should not be made upon the improvements made on a leasehold as well as on a freehold.

21. Do large areas of gum country still lie idle in this part of the colony?—Yes.

22. Can you give us any opinion as to how that land could be profitably occupied by settlers?—There are one or two kinds of grass which, I believe, will gradually take upon these lands; but I would not advise any one to take up sterile gum land while there is still so much land available that is comparatively good in quality.

23. There is a great deal of this gum land which, I think, might be brought into profitable use, but it would require to be drained and limed?—I consider that lime is an essential to large parts of that kind of land, but drainage is the first necessity.

24. Do you think it is desirable that the Government should experiment with that land to see what can be done with it?—I think that private enterprise has experimented already, and has furnished many instances of what may be done by private occupation. I think that Government experiments have, as a rule, proved more costly to the taxpayer than the result warrant.

25. Do you not think it would be better in new districts that the Government should give, say, £2 for £1 raised locally, instead of continuing the present system of parliamentary grants?—I think that would be a very excellent system indeed. It would be a good thing if in the back districts such an expenditure should take place as would enable the settlers to get their produce to market.

26. *Mr. McCutchan.*] Are you opposed to the 999-years lease?—I think it is an absurdity, because it is an intangible duration to the individual mind of an occupier. We want something that is given definitely to a man in his life-time and to his successor; but the 999-years lease does not do that. It is so gigantic in its conception that there is a feeling that the terms will be altered or repealed, and there is a feeling of want of security of tenure such as exists in the case of the freehold. I think that the Act brought in by the Hon. Mr. G. F. Richardson, which limits the period within which a man may convert his leasehold into a freehold, with a few minor amendments, such as compelling occupation and rate of improvements, would be far better than the lease in perpetuity.

27. Are you of opinion that in settling a new country such as this the great thing is to provide every facility for settling people on the land?—That is the very first essential of good land-legislation.

28. That being so, do you not think that a system of leasing at 4 per cent. rental is a very advantageous tenure for the poorer classes of the country?—Not unless the option is given of converting the leasehold into a freehold.

29. You advocate the right of purchase, but, of course, you would not advocate anything that would tend to the advantage of the speculator or to dummyism?—I feel very strongly against that.

30. In order to exclude the speculator and dummy is it not necessary that there should be proper supervision and conditions as to residence?—I think there should be an indorsement upon the lease providing that the tenant who holds the property must use it, and I would limit the area of land which could be held by any one individual.

31. In reference to the disposal of Crown land for cash, and in the case of freehold lands, would you make improvements and residence compulsory?—I think, in the interests of the State, the Government would be justified in carrying out that suggestion.

32. Have you thought of any method of assuring to the local bodies sufficient finance to satisfactorily carry out the roading of the country?—I think that the local bodies are already taxing themselves sufficiently, and while the revenue of the country is so buoyant I cannot see any reason for the Government suffering from want of money. I am ready to make a proposal with respect to that matter when the paucity of revenue makes it necessary, but I do not consider that it is necessary under the present buoyant condition of our finance. Stop squandering, and we save more than enough. My suggestion would be this: I would like to see the American system of making our own roads in front of our own property adopted, and if a man did not do so there should be an assessment made in his case to do the work. I quite agree with the suggestions made by a member of the Commission, Mr. McCardle, that the Government might give special assistance in country districts in the way of £2, or more, for £1 raised locally. But it must be remembered that there are some local bodies that are actually in credit, and they should not receive the same benefits under this system as other less favoured districts. There is a considerable difference in the conditions existing in the back blocks in the North Island, for instance, and the conditions in the more settled districts of the colony.

33. *Mr. Paul.*] I am not quite clear as to how your Land Board will be set in operation: would it be democratic to elect a Land Board on a restricted franchise? You made a point of speaking that in this democratic country we should adopt democratic measures?—It would still be democratic, because the bodies that ultimately elect the representative to the Land Board have been elected by residents or by those interested in the district for which the Land Board member is to be elected. I am thinking of the expense. There is such a thing as trying to open an oyster with a rolling-pin, and if it is only the election of a representative to the Land Board, I contend it is not necessary to go through all the cumbrous machinery of personal franchise.

34. Is there any strong objection to the present constitution?—I think there is, for this reason: that there is no certainty that it is actually representative. It becomes very much a matter of favour, and while kissing goes by favour the average person will not participate.

35. Have the present Land Boards given satisfaction?—No; I hear a great many complaints about them.

36. With regard to your Land Board to control town lands, on what franchise would you set that up?—The country settlers should have nothing to do with the Town Board. The country settler elects his representative on the County Council, and he could by law delegate his representative on the Council to nominate or to elect a person to represent him on the Land Board.

37. How would it do for the Board who were elected by the County Councils to select a Board to administer the lands in the town?—It would not do at all. I consider it would be unfair, because there is no community of interests between the occupier of land in the city and in the country. The man in the country is a land user, and in the city he is a land occupier.

38. In setting up the city Board to control city land would you exclude those residents in the city who own no land?—I certainly would not allow those residents in the city to have any voice in arrangements which were associated with the payments of rates upon land, because I do not think it would be just for a person with no interest whatever in the payments of rates to have any voice in determining the rates an owner of land should pay.

39. It does not matter if he occupies a section of land and pays rent to a private landlord?—If he is the occupier of a house and pays rates to the local body I think he should certainly have a voice in the payment of the rates, for the probabilities are that he will be a ratepayer. The tenant is supposed to be indirectly paying the rates on land.

40. You think that both these Boards should be thoroughly democratic?—I think so. The word "democratic," of course, requires definition, but I have not time to go into that.

41. With reference to your other statements, that no person outside those who farmed lands should have a voice in dealing with the land, do you think you would follow that out to its logical conclusion, and say that only those men who are bankers should have any say in banking legislation, and so on: do you think that could be carried out?—You have mentioned banking, and I think you are rather unfortunate in doing so, because banking is a matter in which the whole community is interested, but, comparatively speaking, we have very little voice in controlling banking matters. But in the using of land there is no sympathy whatever between the urban population and a rural one. The using of land is a matter of continuous toil and long hours and world-wide competition for the rural dweller, and that is where he differs from the urban dweller.

43. Let us get back to the farmer dealing with land. In dealing with land-legislation in Parliament would you exclude all those members who were not farmers, or who have no knowledge of farming?—Well, I certainly say that if every honest representative in that House—I mean politically honest—had acted according to knowledge and conviction they would not have sent you gentlemen round here.

44. That is hardly a reply to the question?—It answers in this way: that those who know about the country and its interests and requirements would act in one way, and those who have not that experience and familiarity with the vicissitudes of farming life and its hardships would act in quite another way.

45. Do you not think that the safe and best plan is for every citizen in the country to take an intelligent interest in everything that pertains to that country?—I think it is a right thing that every individual should do so, and especially in a democracy where the life and success of the democracy depends on the culture of its units. And one of the very first evidences of good culture will be for people to abstain from interfering in business of which they have no knowledge. While I may have a general knowledge upon every subject—as I have of banking and surveying, for instance—I should say I am not fit to direct the business of a banker.

46. Let us take a personal illustration. When you were in Parliament did you vote on questions that you were not intimately acquainted with? You represented a constituency in a democracy, and did you not feel you had a perfect right to give a vote on every question that came forward, and did you not do that?—Well, I did on matters that I understood, and on matters that I did not understand I invariably tried to get information from those whom I knew to be experts. I felt the position of being a member of Parliament in dealing with matters of which I had no personal knowledge an exceedingly onerous and solemn one, and it became very burdensome to me to acquire the information by which, as general representative, I should use my power for the good of all.

46A. Of course, I suppose from your long experience you understand perfectly that a great proportion of the freeholders can never be freeholders in the real sense, because they have mortgages, more or less, over their property?—Yes; and I do not think it is the business of the State to interfere with the individual predilections of the people. Some persons will try to grasp too much. The *pros* and *cons* of sociology in that respect is a business art, and I do not know that the community will be any better for the State undertaking to direct how far each individual shall speculate in business. The unfortunate practices which you allude to are the result of their own action, and I do not see how the State could remedy the position. Very likely their experiences are instructive to others, and indirectly will be of great benefit to the community as a whole.

47. Before the inception of the leasehold was it a fact that many farmers had mortgages over their property, the interest on which was more than a rack rent?—I know that interest has been very high in this country, and I knew long before the Government introduced the Advances to Settlers Act that the interest would fall to a very low figure indeed; the same as it is the opinion of financiers to-day that we shall have a very low rate of interest upon money in the future. The output of gold in the world and the accumulations of wealth are so great.

48. *Mr. Anstey.*] You have reflected rather upon the status of this Commission, and insinuated that we were hardly fit people to judge the questions we are called upon to decide. May I put a question in this way: If you knew that at least seven members of this Commission are working farmers, who, as soon as they lay down their commissions, will go back to their farms, would

you then say we were fit to inquire into these questions?—Yes, I should think so, most certainly, if you have a practical knowledge.

49. You made the further statement that only farmers should give evidence before this Commission?—I said, I think it is reasonable.

50. You mentioned a number of people engaged in other occupations as not being fit to give evidence, and one particular class you mentioned was surveyors?—I did nothing of the kind.

51. You specially pointed to our Chairman, as a surveyor, and instanced him as not being particularly suited to inquire into questions relating to the land. Seeing that one of the most important duties of surveyors in connection with land is to provide road-access, do you not think that surveyors would be our most important witnesses?—You have altogether mistaken what I said. I have a very high opinion, indeed, of surveyors, and I place a surveyor along with the farmer, because nobody studies the land more minutely and intimately than the surveyor.

52. Then, do you wish to withdraw your first statement, that only farmers should give evidence before this Commission?—My statement was, that I consider only those whose avocations and training have associated them with the use of land are qualified to give evidence, and I do not depart from that statement.

53. I am only trying to give you an opportunity to correct yourself. You distinctly mentioned several trades as being unfit to give evidence, and amongst them you mentioned drapers and grocers and surveyors: do you wish to withdraw that?—I emphatically repeat that I did not include surveyors amongst them; and I repeat that a grocer or draper or tinsmith is not a fit man to give evidence on these subjects.

54. Have you had any personal dealings with the Land Board?—No.

55. Upon what grounds do you say they have not been satisfactory?—That is the feeling of the people around me.

56. Have you any knowledge of anything they have done that has not been satisfactory?—I will not give you any instance. I have avoided strictly anything that was personal. There are instances, but the feeling has been conveyed to me that they are a partial Board representing, as far as possible, the predilections of the administration of the day. I want everything, as far as I can, to be democratic.

57. You say they have been administering their affairs unsatisfactorily, and you refuse to give an instance?—I do, and I give my reason for not doing so.

58. You said the freeholders improve their land much better than leaseholders?—The remark which I made was that a freeholder feels a pleasure in improving and beautifying his home, while a leaseholder will always feel the more he improves his home how inelastic are the conditions which control him.

59. That means that a freeholder will improve and beautify and develop his farm better than a leaseholder?—Yes; I am quite content to leave it at that.

60. Does that apply to cases which have come under your notice? Do you know of leaseholders who do not improve their land as they ought to?—I have known endowment leases and that kind of thing, and they are not improved as well as those who are freehold.

61. Does that apply to settlers under lease in perpetuity?—I know that there is a general discontent amongst them, and I could mention the names of gentlemen who have come to me and said, "Do you think that you will succeed in having the option of the freehold given to the lease-in-perpetuity tenant, because I will do so-and-so if it is given."

62. But you can give no instance where a leaseholder under lease in perpetuity has neglected to improve and develop his farm?—No, because he is bound to improve his farm to a certain extent; but they do not do it with alacrity.

63. Are all the freeholders in the neighbourhood improving and developing their farms as they ought to?—All of them are improving and developing.

64. Are all the absentee landowners improving and developing their holdings as they ought to?—I do not think we have any absentee landowners here.

65. Are there none north of Auckland?—Yes, and they do not improve. They wait for the land to improve, and then they sell.

66. Do you think that people who now take up land under freehold from the Crown should be under the same conditions in regard to developing and improving the land as leaseholders?—I think it is only a right condition under which a Crown grant should be issued, that certain improvements should be made by those holding the land. Otherwise they are keeping persons who want the land from occupying it, and so they are detrimental to the State.

67. Do you think that the conditions should be the same as those imposed on leaseholders?—I have not the slightest objection. I do not believe in a person holding land and leaving it idle. I would not hold land under such conditions.

68. Do you not think that would be interfering with the freeholder's right, and indicating to him what he shall do and what he shall not do: does not that make it only a limited freehold?—I am not speaking precisely on the matter. I believe the State has rights in regard to land, and should require improvements to take place where the area of land is limited.

69. You are aware there is a large number of settlers who have taken up land on purchased estates under lease in perpetuity under the Land for Settlements Act: are you in favour of giving them the right to acquire the freehold of their holdings?—I am. I believe in the freehold under any conditions.

70. Upon what terms?—If they had the land at a lower rate of interest than fair interest on a mortgage, I think they ought to pay, in addition to what they have paid, only what would bring interest payable to the Crown up to the ordinary rate of interest. I do not think the Crown should give them special favours in taking up the freehold.

71. What about those tenants who are paying 5 per cent.: should they be allowed to acquire the freehold at the original capital value?—Yes, I think so.

72. Do you think that giving the freehold would be a great advantage to them?—Yes, I do think it would be a great advantage to them; but I think it would be a greater advantage to the State, because if they placed their money in buying the freehold it would not be going into the hands of the foreign bondholder, to be spent out of the colony.

73. Do you not think that the Crown tenants should be asked to pay something for that great advantage?—I do not think the advantage is so great that you should require to inflict a punitive condition on them. I want the freehold, but I do not think I should pay anything more than the ordinary purchaser would pay.

74. Suppose you took up land some years ago at a capital value of £10, and that land would easily sell to-morrow for £15 hard cash, do you think it would be right for the State to give the option of a freehold of that land at the original £10?—That is a very broad question. I think it would be right. On the one hand, if it would be wrong for the State to allow him to have that enhanced value, on the other it would be right for the State, in the event of the land falling in value from £10 to £8, to pay him the £2 of loss. It cuts both ways, you know.

75. Supposing the right to acquire the freehold were granted to the tenants under the Land for Settlements Act, what would you suggest should be done with the money?—In the first place, avoid getting any more money from the foreign bondholders, and, in the second, put the money on one side—not into revenue, as has been done in the past, but to make a special fund for the acquisition, where required, of large estates in the future. Let us cease getting money from other countries, and let us be self-reliant and live within ourselves.

76. Supposing you gave the right of purchase to these lease-in-perpetuity settlers, would it not almost certainly happen that those who had particularly cheap sections would exercise that right, and that the bad sections would be left in the hands of the Government?—I do not know how you could provide against that. If the operations have been good, you could not find any such instances. If that should be the result, it would only be a reflection on the operations that have taken place under this Act.

77. You have a County Council, and also Road Boards?—Yes; and I wish there were more Road Boards. I believe in them.

78. Do you think that the dual system of local control is economical?—No; I believe we expect the other fellow to do too much for us, and do not do enough for ourselves.

79. Then, you think one local body would be better than two?—No; I would rather have half a dozen men interested in the immediate of their homes than two local bodies. I believe in small Road Boards.

80. In one district?—Yes.

81. Would you have two Road Boards, both in one district?—I would not object to three or four, but distinctly separate areas.

82. And these three or four local bodies would act over the same area?—That would be nonsense. I would divide each district into a number of small local bodies.

REUBEN AVERY PRIOR examined.

83. *The Chairman.*] What are you?—I am a Crown tenant. I hold 346 acres under lease in perpetuity. I pay £6 8s. 6d. per annum rent. I have held the section 10½ years. It is about twelve miles from Warkworth.

84. Are you satisfied with your land and tenure?—Yes; but I am not so well satisfied with the land as I am with the tenure.

85. Is there any particular thing you want to bring before the Commission?—Yes, it is a little complaint in regard to the expenditure of the “thirds.” Warkworth lies to the east of our settlement, but in spite of our petitions for a road to run east to our local port, which is east for shipment to Auckland, which is our main port and lies south, our money has been spent on the road that leads north. I have paid £45 for roads since I have been there, and the road in front of my section has never been touched. Why should our “thirds” be spent on the north road in order to enable us to go east to get south. All our petitions have been disregarded. I tried to take the case into the open Court, but, after paying 10s. 6d. as solicitor’s fee, I found I could not. I think Crown tenants ought to be able to take these matters to open Court.

86. *Mr. Mc’utchan.*] Did you petition the Land Board for the expenditure of your “thirds”?—I did petition the Upper Mahurangi Road Board.

87. Did the Land Board require no petition from you before they sanctioned the Road Board schedule?—That is where I might have made a mistake through not knowing better.

88. Since you communicated with the Land Board, has any portion of the “thirds” been expended?—I have not got an answer yet.

89. Are you aware that the “thirds” must be expended in giving access to your land?—Yes, but I never got it. They claim that this is the natural outlet, and that we are receiving the benefit of the “thirds.”

90. With reference to Road Boards spending rates where they like, would you be in favour of it being made compulsory on all local bodies to keep road accounts, so that every settler would be able to see the financial position of his road?—Yes, I would.

91. And that rates from his land should not be spent elsewhere than on his road, except with his consent?—Quite so.

92. *Mr. Paul.*] Are you satisfied with the constitution of Land Boards?—Yes.

93. Are the other settlers quite satisfied?—Quite satisfied. I never heard a *bonâ fide* settler who had not the money to pay down for the land wishing for the freehold. I have been trying to persuade myself who had a right to sell the land and whose land it was to sell.

94. You are not clear whether we own it or the Maoris?—Whether we who live now should own it or the unborn millions should own it.

95. *Mr. Anstey.*] Is there a surveyed road going east from your section?—No.

96. Is there any road at all?—None.

97. Then, it would necessitate the buying of land for this road?—It should have been put there in the first place.

98. Have you had any dealings with the Advances to Settlers Office?—I have, quite unsuccessfully. I owed a man £50, and I wanted the money. I applied to the Advances to Settlers Office, and I could not get £50. I had two hundred head of cattle, and I could have sold out for £400. The reason given was that there were not sufficient improvements.

LEONARD RICHARD PHILLIPPS examined.

99. *The Chairman.*] What are you?—I am a farmer. I am also president of the Auckland Branch of the Farmers' Union.

100. How much land do you hold?—I am one of five brothers, and we hold between us 1,600 acres of freehold. The land is at Wharepapa, on the Kaipara River, four miles from here. My father had the property before us, so that I have really been on the land all my life.

101. Are you here as representing the union?—I have come to give my own views as a farmer, and I shall speak also in my official capacity.

102. Do you wish to make a statement?—Yes. The first question I understand is the constitution of the Land Board. As a practical farmer, I think that it is in the best interests of the State and of the farmers that the Land Board should be partially elective by the rural ratepayers, through the medium of the County Councils—say, giving them three representatives, and the other two should be appointed by the Government. The other would be the Commissioner. That would give ample protection to the general public through the medium of the Government, and would bring to bear in the deliberations of that body a practical knowledge of the feelings and aspirations, and the grievances, and so on, of the settlers in the different districts. As a matter of convenience I would suggest that the County Councils should elect the representatives. As to the question of tenure, I, amongst the vast majority of my fellow-settlers, believe in the freehold, or the right to ultimately acquire the freehold, because it gives to us an assurance that the whole result of our efforts shall be secured to us, and, in a new country like this, where one takes up a piece of land, if he goes in for systematic improvements, it is impossible for him to get it out in anything like his lifetime. In my place we have been working for thirty-five years, and I feel satisfied I shall reach the end of my life before the place is brought into the condition I should like to see it. A good settler in breaking in his country is working for his children, for the good settler regards his home as a trust for his children; but if it is a leasehold, with the fear of revaluation at short periods, as suggested in some quarters, the result will be that the holder for his own protection will exhaust before the expiration of that time, as far as possible, any money he put into it. And on this question of revaluation I feel very strongly, and it is a point upon which the Farmers' Union feel seriously, because they believe it will lead to the deterioration of the land. If the tenure does not secure their holdings to them they will, instead of being land-improvers, become land-exploiters. The Trades and Labour Council have proposed that all existing leases shall be subject to revaluation. And, in reference to this question, they either propose to legislate upon something which they do not understand, or else they want to impose conditions upon another section of workers less favourable than those they desire for themselves. In the first place, if there is to be a periodical revaluation the settlers are not going to put in the improvements they ought, which would increase the wealth of the State and lead to prosperity generally, but would take all they could out of the land before their term was up. The unfortunate part of the proposals of those people who wish to impose upon the colony certain "fads" and experiments is that they want to appoint an army of Inspectors, who will compel the settlers to do certain things. I feel satisfied that the spirit of the race which has colonised this country, and other countries, will not tamely submit to any attempt of the kind. We are the sons of Britishers, and it is that spirit which has enabled us to become masters of the world—the leading nation. We are not serfs of Russia, nor fellahs of Egypt. Nor would the settlers of this colony submit to the tyranny which would be essential to make them keep on improving their places if they were subjected to short periods of revaluation. There would be a revolt, and this might lead to the horrors of civil war. I feel satisfied I am voicing the opinions of the farmers when I say they would not tamely submit to anything of the kind. Now, it is claimed there is a considerable amount of unearned increment which should belong to the State. I believe if the Trades and Labour Council appointed a small commission from amongst themselves to go round amongst the settlers and come in contact with them, they would get a more accurate opinion of them and their work, and would be in a better position to judge of what they really obtained by their labour. I say, without fear of contradiction, that a farmer to be successful requires at least a capacity equal to that of a carpenter. Now, carpenters claim that they are entitled to 1s. 3d. an hour for an eight-hours day, and if a carpenter works more he must have time and a quarter, and on Sunday double time. Well, if those conditions are right for one section of the community they are right for the farmer, and if a farmer were to get paid at that rate his income would be about £260 a year. Now, I am led to understand that in the dairying industry, for instance, under conditions most favourable for the purpose, the most one man can handle is about fifteen cows, and the most he can get out of them is about £12 a cow, and even that is exceptional. That would be £180 a year from fifteen cows. That leaves him far short of what he should be earning on the basis of what the carpenter claims as fair pay for his work. I feel satisfied if the labour party were to concede to the farming community what they desire for themselves there would be no unearned increment left, because there would be a deficiency on what the farmer ought to earn in wages. Now, in reference to the question of the right of the lease-in-perpetuity tenants to acquire the freehold, if we were sure that the lease-in-perpetuity tenure was secure it would no doubt be equal to a freehold; but the term is so long and there have been so many agitations made for revaluation. The resolutions passed at the last meeting of the Trades and Labour Council in the

south were in the direction that when the present holders gave up the next generation should have to pay an increased rent. That is a proposal to violate the terms of the contract, because it was supposed to go on for 999 years, and it is quite competent for the New Zealand Legislature to revoke any of its Acts if it thinks fit. And when we know the influence that the trades and labour people has had upon legislation for so many years, we have some fear that their proposal might be put into effect. You may ask what advantage there would then be in the freehold. Well, there are only a certain number of tenants under the lease in perpetuity, but there are a great number of freeholders, and if the land-nationalisation ideas were carried further they would have to interfere with all the freeholders of the colony, and those who wanted the freehold would get the strong support of all those freeholders in the colony, and I do not think any Minister would attempt to violate the freehold conditions, as there is the enviable feeling of security on the part of those in this colony who, upon any question, can muster a reasonable number of votes for their protection. Then, as to the terms upon which they should secure the freehold. The union, of which I am a representative, holds that the tenants should have it at the original valuation, on payment of the difference in the rent paid as between the lease in perpetuity and the occupation with right of purchase, together with the interest upon that.

103. *Mr. McCardle.*] Have you had any experience of the Advances to Settlers Office?—No, but on studying the question from the Year-book I thoroughly indorse the idea and the regulations for the protection of the State in connection with it.

104. *Mr. Paul.*] Have you any objection to the Land Boards as at present constituted?—I have had no personal experience, but on the broad principle I think it is desirable that an important body of that kind should not be in the hands, as it sometimes happens, of men who are very zealous party henchmen and of defeated parliamentary candidates.

105. Who proposes revaluation at short periods?—That has come from the Trades and Labour Council as, I think, you must know.

106. What is the period?—That it shall be at the death of the present holder.

107. That is not revaluation at short periods?—The suggestion made by the Trades and Labour Council in the past has been twenty-one years.

108. When did they make that suggestion?—They have made that on several occasions, and I think you are quite conversant with it.

109. Would you be surprised if I told you they have never fixed any term for revaluation beyond expressing perhaps a certain amount of satisfaction with the old perpetual lease, which fixes the first period at thirty years, and subsequent periods of twenty-one years?—I should be surprised, because I have seen it in print on several occasions that they favour twenty-one years; but they have distinctly stated now that there should be an increase in rent when the present holder either dies or sells.

110. You speak of the position of the town dwellers—carpenters, for instance—as being much more favourable than that of the farmers. Are you conversant with the position of town dwellers?—I know the conditions under which many of the carpenters live, and I know the conditions under which many of the farmers live.

111. You accuse the Trades and Labour Council of an attempt to violate the terms of the present leases: do you think the Farmers' Union are guilty of an attempt to violate the terms of the leases when they ask for the freehold, or do you think it would be better for all classes to stand by any bargain the State may have made with any section of the people?—This question was brought under the notice of the Farmers' Union by the Crown tenants, and the Farmers' Union considered that when these proposals were being made for revaluation, it would be better to settle the question once and for all, and give an opportunity of acquiring the freehold.

112. I suppose you are aware that this last pronouncement of the labour party is the first occasion upon which they have advocated retrospective revaluation in any shape or form?—Well, the position previously could be read both ways, and I think it was the Premier who first made the statement that it was to be for the future.

113. I think you have in your mind's eye the same meeting that I have, and you would know that the deputation agreed that there should be no retrospective revaluation. It happened when a deputation from the Trades and Labour Council were interviewing the Premier he said it was time they made their position perfectly clear as to whether they wanted retrospective revaluation or not, and they unanimously agreed that there was no desire on the part of the labour party for retrospective revaluation?—When the Premier made that suggestion they assented, but they did not alter afterwards their platform. It is in print, and I have in my pocket the report of a meeting, held in Wellington on the 6th May, at which they suggested that existing leases should be subject to revaluation.

114. *Mr. Anstey.*] This freehold question is one of the main planks of the Farmers' Union platform?—Yes.

115. Has that always been so—the granting of the right to the Crown tenants?—Yes.

116. How long has the union been in existence?—It has been some seven or eight years in existence, but it has only been in what I might call an organized condition for three years.

117. You say this question of the freehold was brought under the notice of the Farmers' Union by the Crown tenants, and you admitted that this was one of the planks of the platform from the start?—The position at first was that all future tenants should have the right of purchase, but it was only last year that the Farmers' Union definitely took up this question of the Crown tenants. It has been discussed by different branches of the union previously, but it was only definitely decided upon at the last meeting in Wellington.

118. With regard to lease-in-perpetuity tenants under the Land for Settlements Act who pay 5 per cent., upon what terms would you give them the right of purchase?—I was not aware they paid 5 per cent., but if that is so I should give them the right to purchase at the original valuation.

119. What would you say in the case of an estate settled for ten years through which the Government had carried a railway, thus enhancing the value of the land by £1 an acre. Would you give that £1 an acre to the tenants?—Well, the more you assist a settler to develop his land in a legitimate way the better it is for the land generally, and I think you would be justified in allowing the settler to have any reasonable advantage from that, always with this provision, that he should be taxed. I believe in a land-tax on the using value, and the settler would pay through that medium.

120. Do you believe in a single tax?—No.

121. I suppose you believe in the principle of a graduated land-tax?—In principle I do not, but as a matter of policy I might.

122. You say every Britisher has a strong wish for the freehold: is there not also a strong desire on the part of every Britisher to get out of debt?—A good many do not seem to get out of debt.

123. Do you not think that a settler who gets upon the land under the occupation-with-right-of-purchase tenure will be struggling as much as possible all the time he is holding his land to scrape up sufficient funds to purchase, and that the improvements will be thus neglected?—Not necessarily.

124. Do you think he will have enough money to make improvements and invest money in the purchase as well?—I think a man should have sufficient discretion to manage his own business.

125. Do you not think that if he has just sufficient money to get the freehold he would put that money into improvements?—If a person could feel satisfied that there was to be no violation of his lease it would be different, but we know what human nature is, and we know there is a tendency always to protect oneself. I believe the best interest of the State would be served by that tenure which will induce the best production by the occupier. I believe in a man being a land-user and not a speculator.

126. Do you think that the best witnesses to give unbiased evidence are the men who wished to get such legislation passed as will give them the freehold?—Human nature is pretty much the same all over the world, but what about the other people who want revaluation?

127. We have been told to-day that no one should come before the Commission to give evidence unless he was a farmer: is not a disinterested party just as likely to give valuable evidence as an interested party?—Speaking for myself, I approach this question without prejudice, and without any personal feeling whatever. I believe it is a question upon which those who have practical knowledge of it are the most fitted to give evidence, and I think the Commission would understand whether a man was giving evidence simply for selfish purposes or whether he was dealing with the question on broad lines.

128. Do you think that the man most fitted to lay down the laws in reference to the lands of the colony is the man who has been all his life following the plough, or, say, a professional man in a town who has closely watched the application of the laws in the past?—I think the farmer would be the better man, because I think he looks at the subject from a practical standpoint.

129. You think the farmers are more likely to bring out the best land laws, not only for themselves but for the colony as a whole—town lands as well as country?—I was not speaking about town lands.

130. Land is land wherever it is. You think the townspeople should deal with the town lands, and that the country people's opinion should carry the most weight in connection with the Crown land?—Yes.

131. Does not the existence of the townspeople depend upon the farming of land?—So far as the city lands are concerned they require different handling altogether.

132. Do you not think that the town-dwellers are interested in the land laws of the country, seeing that their very existence depends upon the lands being properly used?—Yes, they are very considerably interested.

133. *Mr. Matheson.*] Referring to the question of the option of purchase, do you think if the landlord and tenant agree a lease can be amended without breaking it?—It would be a very peculiar position if it could not.

134. With regard to roading, do you think the present system of grants by Government is satisfactory?—No.

135. Do you think an assured finance by means of subsidies on the rates levied would be a better system?—I believe in the subsidies, but that question would have to be handled very carefully, so as to give the assistance to those districts which really required it.

136. The rich districts would levy a small rate. Do you think the subsidy should be in proportion to the rate levied?—I would favour that to a certain extent, but I would still favour annual appropriations by Parliament. I think a Commission might be appointed, whose duty it would be to allocate the moneys available amongst those districts requiring assistance. There are many back-block districts whose revenue is very small.

137. Do you not think by a careful elaboration an automatic system of subsidies could be arrived at so as to do away with grants, and that such subsidies might be added to by giving a proportion of the royalty received on timber or gum from districts where that was the chief produce?—I think the County Councils get the fees from gum licenses now.

138. Do you not think an additional subsidy on timber royalties might be given?—What about the districts which have no saleable timber?

139. It would not apply to them, of course. You think that some system of grants is absolutely necessary?—I believe the present system is wrong, and that there would be an improvement if some system of graduated subsidy was introduced.

140. *Mr. McCutchan.*] Do you say that the demand made by the Crown lease-in-perpetuity tenants for the freehold was subsequent to the agitation of the trades and labour organizations of the colony for revaluation?—I believe that to be so.

141. Do you think the pronouncement made by the delegates of the trades and labour union in Wellington in April last for revaluation upon transfer, or at the death of the lessee, is in any way justifiable?—I do not.

142. If the revaluation is carried into effect as suggested it is merely the improvements that shall belong to the tenant, and all other values in the land shall be reassessed, and the rent based upon that assessment?—Yes.

143. Going a little deeper into the matter, there are three values in leaseholds—namely, the upset value, the value of the tenant's improvements, and the interim value, known as the goodwill. If the value of the tenant's improvements is secured to the tenant, only the whole of the interim value would go to the State?—Yes.

144. Do not lessees very frequently spend large sums of money upon improvements which do not appear within their ring fences?—Yes; I have known large sums of money spent upon improvements, though if a stranger went over the property he would not see them.

145. There are improvements, such as the building of factories, harbour-works, freezing-works, all from capital provided by the settlers of the country, and this expenditure puts an added value on to the land, and under the system of re-assessment advocated that increased value would go to the State?—Yes.

146. *Mr. Paul.*] Are you sure that is the way it would work out? Do you not think it would be possible to have a system of valuation which would secure to the tenant any value which should accrue to him from his labour, and to the State any value which belongs to it?—I believe that would be impracticable.

147. You know the Government have purchased an estate called Pomahaka, on which it is stated that some of the tenants are paying too high rent. Do you think under the circumstances those tenants should get no relief?—It would become a matter of policy as to whether it would be better to reduce their rent or not, but as a matter of principle I think a person who has entered into a contract should stand to it.

148. Is there anything inequitable in revaluation as applied to future leases?—My own opinion is that it would be detrimental to the best interests of the State, because the occupier of the land would feel that at the end of a certain time there was a probability that his rent would be increased, and there would not be the inducement to the settler to make the best use of his land that there would be if he had security of tenure. There is one point which the land-nationalisers seem to lose sight of, and it is that along with the increased prosperity of this colony the revenue of the colony during the last ten years has increased by 68 per cent., and that the values of our exports has increased by 67 per cent. This shows that the colony is getting its advantage out of the increased value.

149. Does land ever depreciate in value?—Yes.

150. Should a tenant get some allowance for that decrease?—I think the tenant should face the vicissitudes of his business as other men do.

151. You cannot say that the principle of revaluation of leases in the future is inequitable?—No; but in practice, I believe it is in the interests of the State to avoid it.

152. Is there anything in the conditions of the lease of the lease in perpetuity provided that it is inviolable to prevent a man fully developing his land under that tenure?—If the tenure was fixed absolutely it would be all right; but we know it is not inviolable, because Parliament can revoke its Acts at any time.

153. The chief objection is the fear of the terms of the lease being broken?—That is my opinion.

VINCENT KERR TAYLOR examined.

154. *The Chairman.*] What are you?—I am a farmer. I have 1,200 acres of freehold land at Waimaku about seven miles from Helensville. I was born in Auckland and have been farming all my life.

155. Have you anything you wish to bring before the Commission?—I am a member of the Waitemata County Council, and should like to place my views before the Commission both as a farmer and as a member of the local body.

156. Do you approve of the present constitution of Land Boards?—No; I think they should be elected by the Road Boards or the local bodies. Then as to tenure, I believe the freehold is the best so far as my experience of the north is concerned, but I believe in the occupation-with-right-of-purchase tenure. The 999-years lease is, to my mind, only an abortive attempt at a single-tax.

157. Is there any aggregation of estates in your county?—No; I do not think the north is adapted to that, because if a man takes up too much land it becomes merely an incubus to him.

158. Have you any experience of the ballot?—Not personally, but I do not believe in the ballot system at all. I believe that the sections should be sold by auction to the highest bidder. The ballot, I believe, only leads to corruption and bribery, and induces a system of betting.

159. In what way does it induce bribery?—The best settlers do not get on to the farms, and dummyism is going on at the present day.

160. Do you not think that "dummyism" would be a better term to apply?—Perhaps it would.

161. Have you had any experience of the Advances to Settlers Department?—Yes; and I think it has been very unsatisfactory here. For instance, when it was first started, those who were not of the right "colour" did not get the money when they applied for it.

162. Are you aware that the thing is administered by a Board?—I know that when I applied for a loan they would not give it, but when a little political pressure was afterwards brought to bear they said they would, but I would not then have anything more to do with it.

163. *Mr. McCardle.*] Do you not think you are making a most serious charge against a number of honourable men who administer the affairs of that Board and who are appointed free from political influence?—I did not know that they were appointed free from political influence.

164. Do you think you are making a fair charge?—I think so.

165. Without having the facts before you?—I had the facts before me.

166. Presumably you were a supporter of some other party than the present Government, but I can tell you I have known of cases where men belonging to the same side of politics as yourself, and others who belonged to the other side of politics, who in the first place were refused loans, but afterwards when the facts were made known justice was done?—I know of other instances where it occurred. I have only given you my own case so far.

167. You are on your solemn oath and I am only giving you an opportunity of reconsidering the matter. Do you swear positively that certain people used their position in the interests of a certain party?—I say it was so when the Department was first introduced.

168. *Mr. Forbes.*] In making advances to settlers, is there not among other things what is called the "moral risk" taken into consideration? Might it not have been that in your case the valuer may not have estimated your character very highly; then afterwards your friend who knew you better placed the position more clearly before the Board so that they felt justified in making the advance?—There was no need to go far to find out about my moral character. I was born in New Zealand.

169. Do you not think that there is a certain moral risk which the valuers have to take into consideration?—Do you consider the Department should have a private-detective system to make such inquiries.

170. How did you find out that this pressure had been brought to bear upon the Department?—I had the pressure brought to bear.

171. Did it bring about the required result?—Yes, afterwards.

172. Did you consider that you had sufficient improvements on which to get a loan?—Decidedly.

173. You do not know what additional fact was brought forward to induce the Department to offer the advance?—I could not say.

174. *Mr. Matheson.*] Have you taken any interest in the administration of Native lands?—I think there should be a great improvement made in that direction. The Natives are not allowed to sell and they have been restricted so far as leasing is concerned. The only suggestion I could make is that the Natives should have more liberty, if not to sell, at any rate to lease, and they should be called upon to pay rates.

175. *Mr. Paul.*] Did you ever hear of any other applicants for loans being refused by the Advances to Settlers Department?—A considerable number.

176. Were any of them of the right "colour"?—The majority were not of the right "colour." All I came across were not.

177. *Mr. McCutchan.*] With reference to your own personal application for a loan. You said you were offered a sum of money subsequently by the Department?—A couple of years afterwards.

178. Was it the full amount you applied for in the first instance?—No.

179. Might not a reasonable explanation of the refusal have been that you asked for more money than the Department were prepared to advance?—There was no explanation. It was simply refused.

180. May not your security have been estimated rather lower by the valuer than you estimated it yourself?—No; because the same valuer valued it for land-tax purposes, and why should he give a different value when he is sent around by the Advances to Settlers Department. In this case it was the same person.

181. And did his valuation for land-tax justify the advance you asked for?—Yes.

182. It was freehold security?—Yes. The Department advances up to 65 per cent., and it is justified in advancing a good deal more than was asked for.

JAMES MCLEOD examined.

183. *The Chairman.*] What are you?—I am a farmer, and am a member of the Waitemata County Council. I hold 2,800 acres freehold, with the exception of 230 acres leased from the Education Board. I came to Helensville in 1862.

184. Is there any particular matter you wish to bring before the Commission?—I think that Land Boards should be partly elected by the local bodies—the County Council to elect three members, the Government to nominate three, and the Commissioner of Crown Lands to preside.

185. What tenure do you think is most advantageous to the country and to the settler?—The freehold. The deferred-payment system was a very good one and resulted well in this district. There is very little leasehold land in this district.

186. Is there any aggregation of estates going on here?—No.

187. Have you had any experience with respect to loading for roads?—Yes; I know of one case and the conditions were not fulfilled by the Government.

188. *Mr. McCutchan.*] What block was it?—It was a museum endowment that was cut up by the Government and there was some difference of opinion with the University authorities which resulted in an unsatisfactory condition of affairs with respect to that land.

189. *Mr. McLennan.*] Do you use your land for cropping or grazing?—Mostly grazing.

190. Do the farmers in this district go in for sheep?—Some of them, and sheep do very well on the land.

191. Was the land originally under tea-tree?—It was mixed forest and tea-tree.

192. Is it fit for ploughing?—Yes, a good deal of it.

193. Is the land fit for growing oats or wheat?—Yes; but the farmers only grow for their own consumption.

194. *Mr. Anstey.*] In your opinion is the dual control of the County Council and Road Boards economical?—I think the Road Boards handle the money as well as any other local body. There is much expenditure thrown on local bodies in carrying out the law. I think that Road Boards work

very well with County Councils, and I think it would be well to allow the present system to remain as it is.

195. Do you think it would be wiser if a more assured system of finance were provided for local bodies whereby they could get a much larger subsidy on local rates?—I think there should be a subsidy on rates. I am of opinion that the present system of grants is not a satisfactory one, because it is not the districts that really require the grants that get them.

196. *Mr. Matheson.*] Do you not consider that the Land Board is in the position of a steward to administer the public estate for the good of the people?—Yes.

197. If that is so, how can you justify your contention that the tenants or the people should have the right of electing the stewards?—I think the local bodies as representing the people of the district should elect them. I do not think the people in the cities desire to have a voice in the election.

198. As a matter of equity, does it not seem right that the people in the cities should have the right of having a voice in the selection of the stewards who are administering the lands for the public good?—I do not think so. I should like to say something in regard to Native land. In the riding I represent in the Waitemata County Council there are about 16,000 acres of Native lands all lying idle. There are numbers of people willing to take up that land, but it has not been thrown open. The main road going from Helensville to the South Head runs through that land for six miles, and the County Council have to keep the road in repair and yet they receive no rates from the land. The Maoris are only too anxious to lease their land, but they are not allowed to do so. Even if the County Council recommended the leasing of those lands it can be vetoed by the Government. The Maoris meet here from time to time and discuss this matter, but they get no further ahead, and in the end the land is swallowed up in expenses. There should be some better system of dealing with this land. The present Native Land Act is a very bad one. There is another Act in force, the Kauri-gum Act. We have great difficulty in dealing with that Act. We are supposed to collect license-fees from gum-diggers, but it is almost impossible to do so. It would keep a man continually riding from daylight to dark in order to get the license fees, and then he would not get a quarter of them. I think there should be an export duty on gum and the local body should receive a proportion from the district in which it is collected, and there should be no license at all.

LUTHER JOHN AMBURY examined.

199. *The Chairman.*] What are you?—I am a farmer, and hold 400 acres; a portion is freehold and a part lease with right of purchase. My land is two miles from Helensville, some of it seven miles. I hold three sections.

200. Are you satisfied with the occupation with right of purchase as a tenure?—Yes.

201. What is your view on the land-tenure question?—I believe in the freehold, but the lease with right of purchase is a very good tenure. If I could not get a freehold in this country I would take my family and go to another country. As to the constitution of Land Boards, I think it would be only reasonable that the settlers should have a voice in appointing some members of the Board. I think that some members should be elected through the County Council. I am of opinion that one-half of the Board should be nominated—the Commissioner of Crown Lands to have a casting-vote which would give the Government an advantage.

202. Is there any other matter you wish to make any remarks upon?—With respect to lease in perpetuity and as to settlers having the right of converting their lease-in-perpetuity sections into freehold, my opinion is that where a settler fulfils his obligations in a *bonâ fide* manner and on making up the difference, he should be given the right of making the land freehold. I believe there is no farmer in the country who will take the same interest in his land unless he has the right of converting his leasehold into freehold. I may state that recently I spoke to one of the Government valuers. He has a very great knowledge of the country. We were speaking of the Kawhia Block. He said that on going into a country district you can tell by the fences and the condition of farms generally the tenure under which the land is held, and he added that he was quite satisfied that the freehold was the best tenure, and I myself am quite convinced that is so. I have been in New Zealand for twenty-five years. What brought me to this country—and I think the same remark applies to many other people—was the expectation of getting a bit of freehold land. As long as I can hold a piece of freehold I hope to make my home on it and to be a credit to the country. As to the ballot system, I may say that I got a section of land by means of the ballot, but I think it is a system that is abused. There are different views as to the best system to adopt. I do not know sufficient of other systems to offer a definite suggestion. Some people recommend the auction system. But I think under that persons desiring to secure land are apt to lose their judgment in competing for a section.

203. *Mr. McCutchan.*] If a man is a good farmer under freehold do you think he would become a bad farmer under leasehold?—I do not say that he will, but I do not think he will farm his land with the same interest.

204. Do you not think it depends on the man and not on the tenure?—It may to a certain extent.

205. *Mr. Paul.*] Is there any absentee lands held in this district?—Not that I know of.

206. What is the necessity for nominating any part of the Land Board if the principle of electing half of the Board is a sound one?—I think the suggestion I have made with respect to election of some members of the Board would be a fair one.

207. Do you think the valuer you spoke of could by looking over a fence pick out a clear freehold from a freehold with a mortgage on it?—I do not say that he could.

208. Do you think you could pick out a leasehold from a freehold by looking at the land?—I do not say that I can, but I know the spirit with which I should go to work on a freehold section and on a leasehold section.

209. *Mr. Anstey.*] Are there many leaseholders in this district?—Not very many.

210. You have not had much experience in regard to leaseholders?—No.

211. Are there good roads in this district?—In the immediate vicinity of Helensville the roads are passable, but they are very expensive to make. Speaking of roads generally, this part of the colony is called “the roadless north,” and I do not think it has had anything like its fair share of public expenditure on roads, taking into consideration what it has produced in the way of timber and gum, and I think we ought to have much better roads than we have.

212. Are these roads expensive to form and metal?—In this immediate vicinity all the metal comes by rail from Auckland, which makes metalling very expensive.

213. Do you know whether the funds at the disposal of the local bodies are economically expended?—I think they are fairly well expended, but the great drawback is that there are many votes passed which are not expended at all.

CHARLES FORDYCE examined.

214. *The Chairman.*] What are you?—I am a farmer, and hold about 380 acres freehold, situated two miles and a half from Helensville. I have been here since 1882.

215. What are your views with respect to land-tenure?—I believe in the freehold or leasehold with the option of purchase.

216. What is your opinion in regard to the lease in perpetuity?—I think that in some respects it is an advantage and in others it is a disadvantage. I think the disadvantages are chiefly that the holder of a lease-in-perpetuity section may have difficulty in dealing with it or disposing of it either by will or otherwise. If he gets into difficult circumstances that may cause him to fall into arrear with his rent and not be able to fulfil the conditions of his lease, I think the Government is also placed at a disadvantage in that they are not able to obtain a fair share of revenue in the shape of taxation from the holders of these lands. I may state that I was brought up on a leasehold farm in the Old Country and I know the difficulties of leaseholders, and I know how strong is the desire for the freehold. I know that some of the most far-seeing landowners at home are now giving the option of the freehold to their tenants. I may mention the Duke of Fyffe as an instance. If the capital value of the land is obtained by the landowner or by the Government it must be to the advantage of the State in this colony to secure that in lieu of borrowing money from another country, inasmuch as it does not necessitate a Government Department to manage these leasehold estates, which always means expense, and in that way becomes a burden to the community. In respect to Land Boards I think that a partially-elected Board would be expedient. In my opinion the principal danger is that nominees of the Government are not always unbiassed, and there should be an element on the Board to counteract that. It has been suggested that County Councils should elect certain members of the Board and I think that is a very fair method. In regard to the ballot, I think that is an iniquitous system. It is simply a lottery, and lotteries have been condemned in some civilised countries, and as a rule they are not permitted in this country. I could mention instances in support of my views in regard to the ballot system.

217. What would you put in its place?—The system of selection, and when there is more than one applicant for a section I think it should be put up to auction. There may be other systems, but at present I cannot suggest a better one than that. Of course, I know that even under that system there are drawbacks. We can get no perfect system, but as a matter of expediency I think that is the best. If at auction people offer more than the land is worth, they have themselves to blame. I am of opinion also that, the deferred-payment system would be a good one, the selectors paying 5 per cent. subject to making certain improvements on the land as a guarantee for the State. I have an idea that while the present system has been so far successful, it has been entirely on account of the prosperous times that farmers have had during the last few years. In regard to the pressure of restrictions on the holders of Crown lands, I think the better plan would be that they should make improvements up to a certain value in any way instead of being compelled to build houses where they may not be necessary. I think if the Government see that sufficient improvements are made it should be left to the occupier of the land to use his own judgment in regard to buildings, &c. As to the aggregation of large estates, while admitting that large estates are a disadvantage, I do not think that any hard-and-fast rule should obtain. I do not think it is expedient to make a hard-and-fast rule as to how much land a man should hold. Personally, I may say that some years ago I had much more land than I hold now, and I mean to hold less by-and-by. I have no desire to accumulate a large amount of land, but my reason for coming to New Zealand was that I thought I would be able to obtain a freehold on conditions that were comparatively favourable. But I think, taking one thing with another, the disadvantages even in the case of the freeholder here counterbalance the disadvantages they have in the Old Country.

218. *Mr. McCardle.*] Do you remember the old auction system in the case of deferred-payment land?—Yes.

219. Is it not a fact that the Government had to set up valuation Courts to reduce these valuations of land so taken up by nearly one-half owing to the adoption of the auction system?—I am not aware of that.

220. *Mr. McCutchan.*] One of your objections to the lease in perpetuity tenure is the difficulty of the disposal of the property by will?—Yes; and not only by will, but in connection with subdivision and the necessary expenses which that entails.

JOHN ALEXANDER WILSON examined.

221. *The Chairman.*] What are you?—I am a farmer, and hold 2,500 acres freehold. I have been in this district sixteen years.

222. What are your views in respect to land tenure?—I believe in the freehold.

223. What is your opinion in regard to the constitution of Land Boards?—I believe that they should be partly elected by the country ratepayers.

224. Is there any other point you would like to mention to the Commission?—The only point I would like to say something on is regarding the timber, the gum, and the Crown lands questions. It seems to me that the roads derive no benefit from all the gum and timber that is sold off the land, and I think it is only right that they should have a share of the timber royalties. There has been an agitation for it, but it has not been successful. We get the gum-license fees, but they do not amount to much.

THOMAS MANNING examined.

225. *The Chairman.*] What are you?—I am a farmer, and hold 73 acres of freehold, and I have held that land for fifteen years. I use the land principally for dairying, and it is situated about two miles from Helensville.

226. Is there any particular matter you wish to bring before the Commission?—I am in favour of the freehold system and leasehold with right of purchase.

227. Have you had any dealings with the Advances to Settlers Department?—Yes, and my experience has been quite satisfactory.

WILLIAM DAWSON examined.

228. *The Chairman.*] What are you?—I am a farmer, and hold 144 acres of freehold. I have been farming here for forty-five years on the same farm. I believe firmly in the freehold. I may say that I went on to my farm forty-five years ago when there was not a square yard of cleared land, and I have got the place all laid down in grass owing to the labour of my own hands. I should not have taken such an interest in the property if it had not been for the freehold. There is one matter in respect to which I do not think we are well treated. Votes are sometimes passed for road purposes, and they cannot be obtained until well on in the winter, and thus the work cannot be done at the best time in the year. I think the money should be expended during the proper season.

HORATIO HJORTH examined.

229. *The Chairman.*] What are you?—I am an orchardist and own 50 acres, and use 10 acres of my land for orchard purposes. I started on my place about twenty years ago. I grow apples mostly, but also peaches, plums, and a few oranges, but the latter are not a success.

230. Do you find fruit-growing satisfactory?—Yes.

231. Do you make your living by that?—Yes, I do now, after a very long struggle indeed.

232. Were you troubled with codlin-moth and other pests?—Yes, I have been troubled with codlin-moth. I have tried many remedies but have found none very efficient. I understand the Department sent to America for samples of a new parasite that has been discovered in Spain, and which is said to be very effective in destroying the larvæ. It differs from other parasites on the codlin in this respect, that it is capable of penetrating the cocoon larvæ, and deposits its eggs inside. If the Department is able to obtain some specimens of this enemy of the codlin-moth, there is no doubt New Zealand may become one of the greatest apple-producing countries in the world. As to colour of the fruit I do not think we have an equal in any other country, but I do not say the flavour of the fruit is quite as good as it is in some colder climates. The cost of spraying is rather great. As I have said, I think there is a great future for fruit-growing in this colony, especially in the case of apples. Fruit-growing requires good land, just as any other crop does, and to encourage any poor man to go and plant fruit-trees on gum lands would be a sin, because a man must have capital to work the land properly and manure it heavily. I speak from many years of toil and experience. The gum lands are deficient in potash. With regard to tenure, I am a firm believer in the freehold. As a Norwegian I am born and bred to the freehold, and my idea is a man will tackle a piece of land which is his own which a leaseholder would not look at. It gives a man a feeling of independence when he knows that his land is his own, and that he can hand it down to his children. That same feeling in the British race has been inherited from us.

233. *Mr. Forbes.*] Could vines be grown in the land you spoke of without heavy manuring?—The vine will succeed splendidly perhaps and grow well for a few years even without potash, but after awhile I am confident you cannot grow vines here without eventually having to manure.

AUCKLAND, SATURDAY, 27TH MAY, 1905.

GEORGE WILKS examined.

1. *The Chairman.*] What are you?—I am a clergyman of the Church of England in the first place, and also a farmer at East Tamaki. I hold 367 acres of freehold. I would not have a Government leasehold under any consideration. I have held this land three years, but I have been farming at Wanganui and Feilding previously. I was born and brought up on a farm in England. I would like to state that perhaps it would give weight to my evidence to the general public that in 1891 I was acting as valuer to the Government. I am certain the Department were thoroughly satisfied with my work because I had a letter to that effect, and the settlers were also satisfied with my valuations, because, although there were thirteen objections, not one of the objectors turned up, and my valuations were all sustained. I represent the Farmers' Union of Auckland. Besides that I also represent all freeholders and, I think, every man who has the good of this colony at heart. I propose to lay before you things that you have not had placed before you previously, judging by what I have read in the papers. I intend to divide the land question into three—the sentimental, the financial, and the statesmanlike aspects. Now the sentimental may be represented by what is set constantly before you, "I am in favour of the freehold." I wish to lay before you this statement:—

“ I, George Wilks, farmer, of East Tamaki, Auckland, New Zealand, support the freehold because : (1.) If the State sold all the Crown lands to *bonâ fide* settlers it would be better off financially than if it retained and leased the said lands, as there is no unearned increment on rural lands in the aggregate in New Zealand. (2.) That the settlers having the freehold or right of purchase will be more truthful, honest, upright, manly, thoughtful, thrifty, painstaking, braver, more patriotic, more enterprising, displaying more originality, and will produce a far nobler race of men than Government leaseholders. (3.) That the logical outcome of the State acquiring all the freehold lands of the colony and leasing the same—which is undoubtedly the set purpose of the Seddon Government—that there would be—absolutely no security for moneys saved by thrifty settlers, no means of securing provision for widows and children, no security for moneys left by generous donors for charitable or religious purposes ; the banks would have nothing but personal security for overdrafts ; the Auckland savings-bank would have to close its doors, doubtless without being able to meet the demands of the working-men whose hard-earned savings are invested there ; there would be no security for building societies, as the freehold carries with it all hereditaments—corporeal and incorporeal ; the buildings that would eventually be erected by the people of the colony would be of a most flimsy kind, everything used by the settler would be of the simplest and most inexpensive kind ; the savings of the thrifty would be kept in tea-pots or in the form of personal adornments, rings, &c., and hid from the prying eyes of the tax-collector—*i.e.*, the rent-collector ; it would take away the security for the Public Trust Office, which has a million and a half invested on freehold. (4.) That New Zealand would sink into a lower social condition than ‘ good ould Oireland ’ if all the land were made leasehold, as no house, no room, and not even a wife’s bedroom would be free from the prying, inquisitorial inspection of Government rangers. (5.) That the present Government leaseholders are perfectly right in their views that they cannot trust the present Government, as a Fair Rent Act would most undoubtedly override mere contracts. (6.) That it is in the interests of the Colony of New Zealand that the present land laws be altered so that all the lands now held by the State be leased with right of purchase, the lessees having the right to pay off sums of £10 or multiple of that sum at any half-yearly payment ; that the freehold may be acquired after the expiration of five years from the commencement of lease ; that all lands, whether leasehold or freehold, be subject to the land or property tax, £500 exemption ; that the Maori lands be individualised at once, and that sufficient land be set apart for each head of family, widow, spinster, or bachelor to support them, and that the rest be sold on their behalf on the same terms and conditions as the land now belonging to the State, and that the proceeds of such land be invested in New Zealand Consols. (7.) That, if the above were carried out, it would solve the Native question, and would dispense with a very large army of Civil servants who are now living on the working-men of this colony.”

In the first place, according to the land report, £151,000 is the income derived from the land under the Land for Settlements Act. Now, if the prime cost of that which is given here as £3,620,000 were sold to *bonâ fide* settlers at 5 per cent., it would produce an income of £181,000. In other words, it would be a gain to the State and to the people of New Zealand of not less than £30,000. That is irrefutable. That is the sum and substance of the result of the Land for Settlements Act. I find by the Post and Telegraph Office Report that the total amount the Government have borrowed for the Land for Settlements Account from the Post Office funds is £3,617,000 out of a total of £3,860,000 which has been invested by the working-men of this colony in the Post-Office Savings-Bank. The Government are paying these men 3 per cent. on sums from £200 to £500, and 3½ per cent. on sums up to £200. And this same Government are charging some of these poor settlers on the land no less than 10 per cent. and 9 per cent. and 8 per cent. Here is a case of 8 per cent. I have worked the figures out from the departmental report. At Kereta they are charging a settler no less than 8 per cent. for a piece of land ; at Merivale they are charging 7 per cent., and at Marewhenua they are charging 7½ per cent. As I came along the road yesterday I passed a property of 320 acres, half of which belongs to an institution here and half of which is a freehold. The institution is charging 8s. per acre rent for the land, and the owner next to them wants £1 per acre. In other words the institution are only getting 2 or 3 per cent. for land near Auckland, and the Government are charging these poor beggars 8 and 7½ per cent.

2. You are entirely wrong : by law the Government can only charge their tenants 5 per cent., and that is all they are charging ?—I have worked the figures out, and as a Cambridge man and one knowing something about mathematics I guarantee I am right, with all due respect to you, Mr. Chairman. I refer to two cases to show you the way in which they buy land. They bought Pomahaka, and all I can say is that £10,000 was fooled away. It is in the public record. Another £8,000 was fooled away on the Aorangi Block near Feilding. That block was offered to me and to other people by a land agent, who is now dead, at £10 per acre. There was a little boom, and in a few months that land went up to £11 per acre, but it was bought by the Government and paid for at £14 4s. per acre. About £8,000 of public money was fooled away on that land. Now I come to the most important question, and it is the keynote of the whole position. It is the fight between leasehold and freehold. The leaseholders are the aggressors because we have had the freehold for generations past. It is the leaseholders who have to prove there is such a thing as unearned increment. I declare, and I stake my reputation on it, that there is no such thing as unearned increment on rural lands in New Zealand. Every bit is earned by the settlers themselves. As a settler and as a valuer I know it. One case occurred lately. The Thames Valley Land Company bought their land for £1 5s. per acre from the Maoris, and I was told by a friend of mine that it cost 15s. per acre to buy the land. Therefore that land cost £2 per acre, and it was sold the other day to the Government for 8s. per acre. Where, I ask, is the unearned increment ? I know case after case of the same description where money that has been put into the land has never been seen again. Allow me to call your attention to this fact : You see Canada is going ahead. Why ? Canada does not send advertisements out as we do to encourage people to settle on the land, stating that the principle underlying the land policy of this colony is State ownership. The Canadian Government send out advertisements of this kind : “ Free farms of 160 acres.” That is free-

hold, mind, and that is the reason why Canada is getting hundreds of thousands of settlers while we are getting a few paltry hundreds. We want men with money and men with brains, and men with energy to settle our waste lands. The history of England is that land has gone down in value from £50 to £20 per acre in the last few years. In the eastern part of Canada it was the same. Again, land-nationalisers talk about land-values going up. How high is land going up? Only so high as will allow a man to live on the land and produce something, but never any higher. It will depend entirely on the produce from the land.

The Chairman intimated at this stage that as time was very limited the Commission would not be able to devote any more time to the witness, who was asked to hand in the following extracts bearing on the points he had made:—

“‘Studies of Canada,’ by Dr. Parkin.—(P. 12): ‘The Canadian-Pacific Railway Company challenges investigation of its lands, and gives free passes to those who wish to examine them with a view to settlement. It sends out experienced agents to assist the individual settler in making a choice. The trouble taken will be well repaid, for of all immigration agents the contented settler is by far the best.’ (P. 41): ‘Many are Canadians returning after trying their fortunes in the United States. Most seemed to be bringing with them money, horses, cattle, and household equipment. Best of all, they bring skill in pioneering-work and acquaintance with its conditions, in these points having an infinite superiority over the emigrant direct from Europe. It was striking to observe the confidence and reliance upon their own resources with which these men, accompanied by their wives and children, faced the task of finding homes for themselves north of the Saskatchewan in the months of October and November, when the long, severe winter was all before them.’ (P. 117): ‘Land-values have decreased of late in Canada, as in England, and it is easy to buy farms partly improved and with buildings on them at a reasonable rate.’ (P. 230): ‘To make farm life attractive should surely be one of the aims of an age perplexed by the problems which have arisen out of an overgrown city population. The steps taken by the Government of Canada to attain this end seem practical and eminently noteworthy.’

“‘Social Arrows,’ by Lord Brabazon, son of Earl of Meath, 1886.—(P. 233): ‘Remedies for over-population and destitution): (1.) Teaching every child in the National elementary schools some trade or occupation by means of which he or she can earn a living. (2.) Establishing technical schools and colleges where the higher branches of industrial and technical arts could be taught to those scholars who, in the industrial department of the elementary schools, had shown marked ability. (3.) Founding scholarships in connection with these technical schools. (4.) The reform of restrictions to the easy possession, sale, and transfer of land. (5.) The gradual sale by the Government of Crown lands in small lots on easy terms of payment. (6.) The establishment of companies like the Small Farm and Labourers’ Holdings Company, for the purchase of land and its resale in small holdings. (7.) A reform in licensing laws.’

“‘Unearned Increment taken for granted.—(‘Jabez Easterbrook,’ by Joseph Hocking, p. 101): ‘There are, I am afraid, but few people who really think. In spite of all our boast about mental culture, it is evident that a large number of people allow others to do all their thinking. Politicians to a large extent have their political beliefs formed by the leading articles in the newspapers they read, instead of taking facts as they stand, and deducing opinions from those facts; or, better still, taking sound principles, and, from a thorough study of them, building their political faith. Hence it is that, unknowing to ourselves, we live the life of parasites rather than of living organisms.’

“‘Unearned Increment: ‘The Strawberry Girl,’ purchased by Sir Joseph Reynolds in 1773 for the Earl of Carysfoot for 50 guineas, was in 1856 acquired by the Marquis of Hertford for £2,205, or forty-two times the original price. The seven allegorical figures and other compartments of the Oxford window painted by Sir Joseph Reynolds were offered to a nobleman for £300, and after Sir Joshua’s death were sold for upwards of £12,000.

“‘Hokitika.—Forty years ago Hokitika was a town of thirty thousand inhabitants. There were one hundred hotels in the main street, all thriving on the imprudence of the miner. It has now a population of two thousand. Decrement, not unearned increment.

“‘Ireland and the Freehold.—‘We may observe how the same problem has been tackled by the Government in a happy land not far away, Ireland to wit. Apart from the Acts of 1870 and 1881, we may begin with the Ashbourne Act of 1885, an Act which passed the committee stage in each House in a single sitting. It encouraged tenants to buy and landlords to sell; the Land Commission, if satisfied that the land was good security for the advance, and that the title was in order, advanced the whole of the purchase-money, and the tenant repaid it by a payment of 4 per cent. on the purchase price. In forty-nine years he would have liquidated principal and interest, for of the £4 only £2 15s. was required for interest, and the balance of £1 5s. went to the repayment of the loan. In six years no less than ten millions of public money was lent to Irish tenant farmers in this way to enable them to buy the holdings they cultivated. The Act of 1891 was not so happy, owing to its complicated procedure; but equally good results have been attained under the Act of 1896, with an easier graduated method of repayment. In short, a tenant may purchase his holding for, say, £1,000; the State finds the whole purchase-money, and the tenant repays it by a payment of £40 per year continued for not more than forty-nine years. In this way, in seventeen years twenty millions were loaned, enabling the Irish tenant to become the owners of about 3,000,000 acres of land, for which they had been formerly paying a rent of one and a quarter millions yearly. Lastly, the Government has gone one better, and in the Act of last year has not only provided for a loan of £100,000,000 for this purpose, but also has provided an extra inducement to landlords to sell—viz., has offered them £12,000,000 as a free gift in the shape of a 12-per-cent. bonus on the purchase price. If my estimate is not far out, this will enable every agricultural tenant in Ireland to become in time his own landlord.’”

ANDREW JACK examined.

3. *The Chairman.*] What are you? I am a farmer. I was born at the Wade thirty-two years ago. I hold 320 acres under freehold tenure.

4. Is there anything in particular that you wish to bring before the Commission?—I am here to represent the Wade branch of the Farmers' Union, and simply to state that, to a man, my union are all in favour of the freehold. They consider it is the only incentive to induce any one to live in a district such as we are living in. In fact I am quite certain that if I had had to pay rent I could not have stayed on my farm, and every one else in the district is of the same opinion to a man.

5. How many members are there in your branch of the union?—Fifty. I may say I represent several other settlers who asked me to do so. I am the duly authorised delegate.

6. The tenure you favour is the freehold?—Yes; we believe also in occupation with right of purchase, as that gives a poor man a show to go on the land. We have no objection to the ballot system, so far as we have seen it work. We are perfectly satisfied with the Advances to Settlers Act. I may say that I have been a valuer for the Government under that Act, and I have always found it satisfactory so far. In regard to the Land for Settlements Act, we believe that in districts where there are no Crown lands it is right that large estates should be purchased for settlement purposes, but we do not favour the Government purchasing estates in the north, such as Bickerstaffe when there is any amount of Crown land to be taken up. We think the Crown land should be settled first. We believe that tenants should have the right of purchase under the Land for Settlements Act.

7. Do you think the right of purchase should extend to those who have already taken up land under lease in perpetuity?—Personally I do not, but other members of the union do think it should be extended to them. I think the law as it at present stands is a very good one. A person has the option of taking up land under the three tenures, and if he believes in the lease in perpetuity and enters into a bargain with the State under that tenure I do not see why he should be allowed to alter it.

8. You think that all land should be put up with the option of selection under any of the three tenures?—Yes. Because that gives a chance to every man. I think the present law is perfectly fair and just.

9. A settler would then be able to make his own choice?—Yes.

10. What is your opinion in regard to constitutional Land Boards?—I think it would be better if they were elected the same as School Boards and other Boards. I believe myself in giving people a say in all matters.

11. Would you make them entirely elective?—No; I think the Government should be represented too.

12. Is there any aggregation of estates going on within your knowledge?—No.

13. *Mr. McCutchan.*] Have advances always been made by the Advances to Settlers Office where the margin of security has been sufficient?—Yes, I think so.

14. Has there been any dilatoriness on the part of the Department in making these advances?—Not that I am aware of.

15. Do you think that advances in excess of 50 per cent. of the value of the tenant's improvements on his leasehold should be made?—No, I do not.

16. Do you think it would be wise for the State to advance 50 per cent. on the goodwill as well as 50 per cent. on the improvements?—I do not think there is anything in the goodwill.

17. Have you had any recent instructions about valuation?—Not lately.

18. If any alteration was made in the law do you think it would be wise to introduce a revaluation clause in leases to be issued in the future?—I do not think so.

19. Do you think that such a clause if introduced would be detrimental to back-country settlers?—I do.

20. Do you think that settlers would go into the back country if a revaluation clause was introduced?—I do not think so.

21. Has there been any increase in land values in the district?—A considerable increase. In my district in the last seven years land values have nearly doubled.

22. Do you think the present system of public works in connection with road-making is satisfactory?—I can assure you not. I think the roads ought to be made by contract.

23. You mean you would do away with the co-operative system?—Yes. In our district it has been a loss to us.

24. Have you devised any scheme for placing the whole matter of road-construction on a more satisfactory basis?—I have not gone into that matter.

25. *Mr. McLennan.*] Are you acquainted with the South Island?—I have never been in the South Island.

26. You cannot say whether there is any demand among the tenants there for the freehold?—No; I know nothing about the South Island.

27. *Mr. Paul.*] Speaking of the Lands for Settlements policy: you say you objected to the Government buying any estates whilst there were Crown lands remaining to be settled?—Yes.

28. To your knowledge are there any large estates in the north which are keeping back the district and which, if settled, would make certain districts more progressive?—No. Several large estates in the north are at present being cut up by the private owners, and successfully so. Mr. Ford's estate has been cut up and successfully settled, while Bickerstaffe Estate, a little further on, has not been settled. That was owing to the nature of the tenure. If it had been offered under freehold I think it would all have been taken up.

29. Are you acquainted with the Bickerstaffe Settlement?—I know a lot of people in the district.

30. Do you know the district very well?—Not particularly well.

31. Do you know that other private land in the vicinity was settled previous to the opening of the Bickerstaffe Estate, and that therefore the demand for land in that district was satisfied?—Yes, I believe it is so.

32. Does that not alter the position somewhat: you said it was a question of tenure? I say it was a question of tenure.

33. Might not that other cause be a reasonable explanation of the trouble?—It might. I am not prepared to go into the matter.

34. What is your reason for suggesting a change in the constitution of the Land Board?—I do not say that there is any particular reason, only I think it would be fairer. I have no fault to find with the Land Board, nor has any one else that I know of.

35. Do you think that would be fairer to the whole of the people of the colony?—Yes.

36. Do you think it would be fair to the whole of the people to have a Land Board elected by a portion of the people?—I am perfectly willing to have the Land Board elected on the same franchise as members of the House of Representatives. But I am not in favour of the parliamentary rolls being used for the election of County Councillors.

36A. You recognise that every citizen in the country has a right to say how the National estate shall be disposed of and managed?—Certainly.

37. *Mr. Anstey.*] Suppose the Land Boards were elected on the parliamentary franchise: is there not a danger that in that case they would virtually be elected by the town residents, seeing that they have so much more convenience in the matter of voting and that they are so much more numerous?—There might be that danger, but I do not see why the town need be against the country.

38. Do you think it would be a good thing to have four town members elected to administer the land laws in the Auckland district?—They are pretty well all town members now.

39. Do you think that is a wise system? So long as they are good men, town people are as good as any other.

40. Are there many leaseholders in your immediate neighbourhood?—There are a few who have the right of purchase.

41. You have no knowledge of lease-in-perpetuity settlers?—There were one or two, but I think that their tenure has been altered since.

42. The land between Devonport and the Wade is very poor?—Yes.

43. Can you suggest any way in which it might be properly utilised?—I am afraid not. The only thing I know of that it would be good for is growing timber.

44. Do you think it would be wise for the Government to plant a quantity of it?—Yes; I believe it might be successfully planted.

45. Do you think it would be wise for the Government to undertake experiments, such as analysing the land and trying manures?—Certainly.

46. Do you think that it would generally be a success?—Well, it would open people's eyes, but I cannot answer for the result.

47. Is none of it fit for fruit-growing?—Yes; all our district is more adapted for fruit-growing than anything else. That is what I am principally doing. I have about 2 acres of apples.

48. *Mr. Matheson.*] If two adjoining counties were occupied, the one entirely by freeholders and the other entirely by Crown tenants, do you think there would be any distinct difference between them in the matter of prosperity?—Well, as a matter of human nature, I think the freeholder would look best after his land.

49. Is that why you think it would be wise for the State to encourage people to obtain freeholds?—Certainly.

50. *Mr. Forbes.*] Is not the principal thing in settling land that a man will keep his capital free in order to make improvements?—Well, if he takes up the land with the right of purchase he will have his capital free. If the land will not produce sufficient to enable him to buy it in twenty years' time he is better out of it.

51. *Mr. Hall.*] You are the representative of a farming community. Is it the opinion of that community that the freehold is the best form of tenure?—Yes.

52. Do they not approve of the lease in perpetuity?—No; nobody down our way approves of that.

53. And your own opinion is that the freehold is the best tenure, best for the State and best for the settler?—Certainly. It is my opinion and the opinion of every other man in my district.

54. *Mr. McCardle.*] I understand that in your neighbourhood there are a number of settlers under lease in perpetuity?—My brother is one.

55. They had the option as to system, had they not?—Yes.

56. You say that if there were an amendment to the Land Act you would not make it retrospective?—Yes.

57. What would you do with those tenants who were compelled to take up land under lease in perpetuity?—I think an injustice was done, and it should be righted.

58. Would you favour those men having the right of purchase?—I think the option of taking up the land either under occupation with right of purchase or of purchasing right out, or of lease in perpetuity, should be given to them.

59. On what terms would you give them the right of purchase—purchase by instalments or payment of a lump sum or what?—Deferred payment by instalments.

60. *Mr. McLennan.*] Is there a great deal of freehold land between Devonport and the Wade?—Yes; a good deal in one direction, but only Crown lands in the other direction. Along the road it is mostly freehold.

61. You said that the freeholders make the best use of their land. Are those freeholders along the road making good use of their holdings? Are they building, or fencing, or otherwise improving the land?—Not a great deal. On most of the land nothing is being done because it would starve a cricket to live on it.

62. What I want to know is whether the land is improving?—I think the men who took it up were fools, and did not know what they were doing.

63. That may be, but you said that those who have freeholds look after them better than the leaseholders?—Yes, if they are living on the land.

64. Well these people, who are freeholders, are a very poor example for your contention. There is scarcely a house between Devonport and your place, and very few fences, and most of the land is covered with gorse?—I do not believe the land would grow gorse.

WILLIAM GEARED examined.

65. *The Chairman.*] What are you?—I am a settler at the Methuen Hamlet, Avondale, holding 2 acres of land under lease in perpetuity. I have been there about eighteen months.

66. Are you pleased with your land and your tenure?—No, I am not. We had a meeting of settlers in the three hamlets at Avondale, and we decided to get up a petition for presentation to the Commission. Every one agreed that they should have the right to the freehold if they could get it. It is the freehold we want. I have two of the petitions here and one was to be forwarded by post. The petitions are as follows:—

“To the members of the Land Commission, Auckland.

“GENTLEMEN,—We, the undersigned, being lessees of allotments in the Methuen Hamlet, situated at Avondale, do hereby declare that we are desirous of acquiring the freehold of our respective holdings, and wish the Government to grant us the right of purchase.” [Signed by nine lessees.]

“To the members of the Land Commission, Auckland.

“WE, the undersigned, being lessees of allotments in the Kitchener Hamlet, situated at Avondale, do hereby declare that we are anxious of acquiring the freehold of our respective holdings, and wish the Government to grant the right of purchase.” [Signed by seven lessees.]

I maintain that the freehold is the better tenure, and I believe that all the land in the hamlet would have been taken up and settled long ago if people could have got the freehold. Any number of people have come out and looked around and asked a few questions, but have refused to take up land on finding that they could not get the freehold. Some of the allotments have been taken up two and even three times within the last two or three years, but have been abandoned and not built upon. Many of the sections in my neighbourhood are simply overgrown with blackberry, briars, and gorse. When I fenced my own I had to cut a track through the gorse and since then I have had to top some of the gorse on these sections to prevent it from seeding and depositing seed on my property. I believe that that land would be taken up if the Government would offer it on the freehold system.

67. You have a lease for 999 years: Have you any doubt of the *bonâ fide* intention of the Government to keep their contract?—No; but the thing that the people want is the freehold. They have no fault to find with the Government, only they say it is a shame that the land should lie idle. If it were offered as freehold people would take it up and put it into use. As it is it lies idle and does not pay interest on the cost.

67A. It is impossible for you to make a living out of 2 acres: I suppose you have just taken up the land as a place of residence?—That is all I can do. I wanted 2 acres more, but the Government would not allow me to have it. They would rather let it lie idle. That same land has been taken up once, but the selector threw it up.

67B. At the time you took up that land you thought it suited you to do so?—Well, yes, in this way, I am a gardener and come to town to work. The land is near to the train, and on that account I took it up. The Government have practically a monopoly in the neighbourhood. You have either to take theirs, or go far back where you cannot get the train or other conveniences. That was my real reason for taking it up under this scheme.

68. You are a gardener, and in your odd time you could do a good deal with 2 acres?—Well, it does not pay you to do it. It pays better to go out to work.

69. Well the tenure will not alter that. The conditions would be the same under freehold?—Certainly; but one would be freer and could do as he liked with the land.

70. *Mr. McCutchan.*] At the time you took up the section had you any other choice of tenure besides the 999-years lease?—Perhaps if I had looked round I might have got other land.

71. But in reference to the hamlet itself had you any choice?—Not a great deal, because the Government have made a monopoly by taking up most of the waste land there.

72. But had you the option of taking it up under any other tenure?—Not the Government land.

73. As to the sections which have been taken up and abandoned: was there any other reason for the abandonment beyond dissatisfaction with the tenure?—I have never heard of any other.

74. Do you think it would be wise for the Government to group these sections so as to allow the men already on the settlements to obtain larger areas?—I think so, especially if the land were freehold.

75. *Mr. Anstey.*] Was this land acquired in order to be cut, up or was it Crown land?—It was purchased by the Government.

76. Is there anything in your lease which prevents you from properly cultivating your land and properly improving it?—I have improved my land, but at the same time it does not pay me to do so.

77. There is nothing in your lease that would prevent you from improving your land as much as you like?—The Government look out that we do improve, but they do not improve their own property.

78. *Mr. Forbes.*] From what you say there does not appear to be much demand for workmen's homes in your part of the district?—The land would, I believe, have been settled upon had it been freehold, but people do not want leasehold.

79. There is no sufficient necessity then to force people to take up the land under lease?—The position is that people have to take up that land or else go further back. There is not much choice.

80. And they have not taken up the land?—No; they rather go without and stay in town, whereas if the land is freehold people would go out from town and every bit of the land would be taken up. In the course of a few years there would be a regular town out there.

81. *Mr. Hall.*] Do you consider that the freehold would be to the interests of the settlers rather than the lease in perpetuity, or is it only sentiment? Would there be any real advantage in acquiring the freehold?—Well, generally speaking, a person who can afford it likes to have a freehold home of his own.

82. *Mr. Paul.*] What are you paying for the land?—We are paying 5 per cent.

83. But what is the amount?—£2 10s. an acre, which I consider is excessive; in fact, the Government gave too much for the land in the first place.

JOSEPH FLANNIGAN examined.

84. *The Chairman.*] What is your occupation?—I am a farmer, holding 250 acres at Drury, under the freehold tenure. I have been in the district for about twenty-three years.

85. What, in your opinion, is the best tenure?—I am a strong supporter of the freehold, and I believe that Crown tenants should have the option of acquiring the freehold. I believe that land can never be so well nationalised as when it is in the hands of those whose interest it is to make the best of it. I do not believe in landlords of any kind, least of all the State, especially when tenants would be at the mercy of trades-unions and socialists, a danger which is not remote but imminent. If the returns from land were anything like regular or uniform, then there might be some excuse for desiring to place people on the land under the leasehold system. But let me give you my experience of working land for the past few years, and I think it is a fair sample of the universal experience. In 1902–3 we had a partial failure of the oat crops in this district from rust. In 1903–4, we had a complete failure from the same cause. This season we had a complete failure of the potato crop from blight, besides, after a most severe and backward spring, dry weather set in at New Year, and the cows dried off their milk soon after, with the result that we lost three months' returns from that source, and now we are in the teeth of what I believe will prove the hardest and severest winter in stock that we have known for many years, owing to the failure of the turnip-crops and no grass. Besides all this, we have to feed all the destructive birds, slugs, caterpillars, and vermin in creation, and our lands threaten to be overrun with all the noxious weeds gathered from the four quarters of the world. In spite of all this, we have people and societies in the towns who pass resolutions dictating what tenures we should hold our land under, and how much taxes we should pay, what franchise we should elect our local bodies under, and many other subjects concerning land, and the less they know about the subjects the more cheerfully they pass their resolutions. My opinion is that, when the natural conditions of farming are so precarious, the artificial condition should be made as secure as it is possible to make them, and the freehold tenure is the most secure we have discovered so far. Instead of penalising those who take up land, I think we ought to assist those who take up an occupation that in eight cases out of ten compels them to a life of toil and drudgery.

86. Have you considered the question of the constitution of the Land Boards?—Yes. What little experience I have of Land Boards is that they are a cumbrous and unwieldy machine. In my district there are a number of town lots belonging to the Crown. Many of us would buy these lots if they were sold at a reasonable price, but the upset price of these lots about fifty years ago was placed at £20 per acre. After repeated applications from many settlers to buy these lots, we cannot get the Land Board to recede from this position, and these lots remain an ugly collection, growing furze and blackberries, and an eyesore to the whole district. If this is a fair sample of the work of the Land Boards of the colony, and I believe it is, then I have no confidence in them.

87. Are not the lands open for sale now?—Yes, at £20 an acre; but, in my opinion, from £3 to £5 an acre is the full value of the land. The lots are classed as town lands.

88. But the Land Board can alter that?—I understand that they can reclassify the lands, but in spite of repeated applications we cannot get them to do so.

89. *Mr. Matheson.*] In what way would the extension of the parliamentary franchise to the elections of local bodies affect settlers prejudicially?—In my district I pay about £5 a year in rates, and I do not consider it fair that another man living in the district, who has no interest whatever in it, and is only there to-day and gone to-morrow, should have any voice in the election of the local body.

90. Is it not a correct principle that where there is taxation there should be representation?—Where is the taxation on people who simply live in a house. What do they contribute to the upkeep of the roads.

91. Your local body gets subsidies and grants from the consolidated revenue, and those people contribute to the consolidated revenue. Should they not then have representation?—In my district we have borrowed £1,000 for expenditure on the roads. What proportion would these outside people pay towards that.

92. They have contributed something, and they have a claim to representation.—Well, have they not the use of the road, the same as I have.

93. Well, the principle stands as a sound one.—I do not think so.

94. *Mr. Paul.*] You do not believe in landlords?—No.

95. And you think the State the worst of all?—I do.

96. Why have you come to that conclusion?—Well, I have had a good deal to do with the Government in other matters, railway matters, for instance, and I find that if you want the least concession—say a siding, or a loading bank, or a road—you have to go through a lot of red tape, and go hat in hand to the officials. I consider that if the whole interest of the country was in the hands of the Government we should have this sort of thing multiplied ten thousand fold, and we should become simply a nation of serfs.

97. Have you held a leasehold under the Government?—I had one in Ireland, but it was under a private landlord.

98. But you have not held a lease under the Government?—No, and I never will.

99. Have you been in the South Island?—Yes.

100. Have you seen the condition of the tenants of the Government under the Land for Settlements Act?—No, I have only been there as a visitor.

101. Then you cannot say whether they are prosperous or whether they are serfs?—No, the Land for Settlements Act has come into force since I was there. I understand that many of the settlers under it are prosperous. But you must remember that since these land laws came into operation we have a continuous succession of prosperous years. I have been farming for twenty-three years, and I know what the condition of affairs was before this era of prosperity. In late years we have had good prices for our produce, and the settlers have been prosperous in consequence.

102. You made some objection to the trades-unions and socialists trying to interfere with the leasehold to the prejudice of settlers. Why should they not interfere with the freehold also?

103. Could they not do that just as well?—Yes, that is if they have power to do anything at all. With them it is a question of might, not right.

104. But it has not been proved that the trades-unions of this colony want to do anything which will prejudicially affect the interests of settlers.—Well, if the newspaper reports of their meetings are correct, their resolutions will most prejudicially affect the settlers of the colony.

105. *Mr. Anstey.*] Are there many leaseholders in your immediate neighbourhood?—Not many.

106. Have you had an opportunity of observing how leaseholders farm their land?—No, but I know many districts where there are leaseholders.

107. Are noxious weeds spreading in your neighbourhood?—Blackberries are very bad indeed, and so is furze.

108. Is the blackberry declared by the County Council a noxious weed?—Yes.

109. Are the Council taking any steps for its eradication?—Yes.

110. Are there any other noxious weeds?—We have the wild turnip and the ox-eye daisy. Ragwort is not very prominent, but I have come across it.

111. Do you find that freeholders farm their land better than leaseholders?—Certainly.

112. They do not seem to cope with the noxious weeds very well?—Well, in my district, I cannot point to any one whose land is overrun with noxious weeds. The Government is the worst offender with regard to the Crown lands.

113. *Mr. Hall.*] You say that a large section of the town population are dictating to the settlers as to the tenure under which they should have their land. Do you find many of these people taking up Crown land themselves, and reclaiming it and making it productive?—I have never known a single instance.

114. *Mr. McCutchan.*] In connection with the franchise for local bodies' elections, it strikes me that there is a little more in it than has come out. Is this your position?—That although grants and subsidies are made out of the consolidated revenue, and though the ratepayer to the local body contributes through the Customs, he gets his representation through his member of Parliament; but, on the other hand, the local body levies rates, and the man who contributes nothing to these rates should have no voice in the election of the local body?—I do not think he should. I think he has sufficient without that.

JOHN BOLLARD examined.

115. *The Chairman.*] What is your occupation?—I am a land agent and a professional valuer, and have been in the colony for forty-five years. As a trustee I hold 1,600 acres of land in the Kawhia district. As my own holding I have only some 4 acres in the neighbourhood of Auckland.

116. Is there any particular point that you would like to bring before the Commission?—I wish to speak on the question of workmen's homes in the neighbourhood of Auckland. I have been charged by a prominent member of the Government with inducing the Government to purchase land for workmen's homes that have proved a failure. I do not consider that they are a failure, but they are a partial failure. I wish to set myself right in the matter. It is quite true that I did induce the Government to purchase land within ten miles of Auckland on which to establish workmen's homes. My idea was that men with families living under insanitary conditions within the city should be taken out where they could have comfortable homes within easy distance of the city by train. After inspection of considerable areas available by the Government officers of the day, they purchased this land at Avondale. At the same time the Government refused to carry out the scheme I propounded in connection with the land. However, since the purchase was made, a very large number of working men have called upon me with reference to taking up sections in the hamlets. I did not keep a note of the number, but there must have been over a hundred, and every one of them refused to a man to take up the land, because they could not get the freehold. My scheme was that there should be a sinking fund, and that the holders should get the freehold after thirty-six years. However, the Government refused to carry that out. People will not take up small sections, even for their homes, unless they have the right to a freehold. That has been the cause or the partial cause of the failure. It is not that the land is not suitable. It is suitable, and seeing that the occupiers can get into that town for 2s. a week, it is evident that the railway fares are no obstacle. Still, people positively refuse to take up the land because they cannot

get the right to the freehold. In cases where the land has been taken up, it has been done in the hope of getting the freehold by-and-by. The occupiers believe that when there is a change of Government they will get the option of the freehold. I wish to make it clear to the country that it is not my fault that the scheme is a failure. The fault lies with the conditions under which the land is offered to the public. Men who have £100 or £150 will not take up land under the 999-years lease. They prefer to get a freehold allotment, and arrange with some timber company to build them a house which they can pay for by instalments.

117. *The Chairman.*] Did not the Government, as an inducement to taking up this land, offer certain conditions in the way of house-building?—The conditions offered by the Government are that a man who takes up land has to build a substantial dwelling, not to cost less than £30. Just fancy a substantial dwelling for a man with six or seven children at a cost of £30! Why, it would not build a hen-house. I wanted the Government to assist him to build a decent house. There would be no risk, because the land was there, convenient to a railway-station, and the fare to the city was moderate. It was not my intention that the man should make a living out of his allotment, but it would be a home for him and his family, and his income would be derived from working at his trade in Auckland. It is only when you spend, say, £100 that the Government is good enough to give you £50 under the advances to settlers system. What is the good of offering that to a working-man with a wife and six or seven children, if he has no money of his own. You might just as well offer him a loaf of bread for 3d., when he has not the money to pay for it, for he is just as far off as ever. If the Government had assisted the men with homes, and given them the right to the freehold, even with a sinking fund of 1 per cent., I am satisfied that the whole of the land would have been taken up within four or five months after it was offered for selection. I have never yet met a man who wanted to go on the settlement who did not want the freehold, and those who are there only took up the land in the hope of getting the freehold by-and-by. Another thing I wish to mention is the loading of these lands. Some of them have been loaded for roads to the extent of £15 an acre. The roads are not made yet, though the people are paying 5 per cent. on the loading. I consider that when land like that is cut up for settlement, it should be roaded before people are asked to settle on it. If I cut up a block of land I have to go to considerable expense in this matter. Only the other day, as a trustee in an estate, I had to provide for 70 chains of roads, which cost £1,500, before the Road Board would sanction the taking over of the roads, so that I might get a deed of dedication, and sell the allotments adjoining. In the district where these workmen's homes are situated I do not think one-fourth of the money has been spent on roading. This is unfair to the people, because as soon as they complete an improvement, the local body puts extra taxation on them, and at the same time they are paying 5 per cent. on the loading. It is downright dishonest of the Government to do a thing like that. No private individual dare do it. That is another reason why people object to the conditions of settlement at Avondale. It was the Premier who stated that I induced the Government to take up these lands, and that the scheme was a failure. I hope that I have made it clear that it was his own Government that made the settlement a failure, by imposing conditions that people will not submit to.

118. *Mr. McCutchan.*] Was it chiefly owing to your influence that this block was purchased?—Yes, I think it was. I saw that the Government were purchasing homes for working-men in other parts of the colony, and I did not see why Auckland should not have a similar advantage.

119. Workmen have been settled on a similar plan around Christchurch, and the scheme has been a great success. Might not the failure of this Auckland scheme be due to the fact that the land is of an inferior quality?—No. With regard to Wellington, there is so little land available that people have perforce to take up what is offered if they wish to get out of the town. But here there are so many chances for men with a little money to buy land privately that they prefer that to taking it under lease in perpetuity.

120. Does it not appear strange that under similar conditions in regard to tenure the scheme has been a great success elsewhere?—I do not know that it has been a success. As far as I can learn, the other settlements are not a success—that everywhere the selectors, if they speak their mind, prefer the freehold.

121. With reference to the loading for roads, do you assert that the amount for which these lands were loaded has not been spent by the Government?—I do.

122. Then, the Government hold the principal, and at the same time collect the interest?—That is so.

123. Is it a recognised thing that when the Government load blocks for roads the loading shall be adequate for the proper roading of the block?—I do not think they make sufficient provision in the case of country lands.

124. Do you think it is unfair that the loading should be added to the capital value?—I do not think so, if the roads are made immediately.

125. Would you advocate a change being made in the direction of the loading ceasing as soon as principal and interest have been extinguished?—I would. I think it is very unfair at present, especially as the roads are not made. In the Kawhia country the other day I met a man who had been three years on rough bush land, and he had not even a track to his allotment. When I saw him he was packing iron upon his back to build his house, and had to carry it three miles, and yet he was paying 5 per cent. on the loading.

126. With reference to the tenure, would you leave the present tenures on the statute-book, or make any change or modification?—I would simply give people the option.

127. Well, it rests with the settlers themselves now whether they take the 999-years lease or some other form of tenure?—Yes, but many people are sick and tired of going round trying to get land under the ballot. They would like to get occupation with right of purchase, but as a last resource they take up the land under the lease in perpetuity.

128. *Mr. Matheson.*] I know that in the Kawhia district the land was offered under only one tenure, but in most districts the option of three tenures is allowed?—Not for the whole of a block, only for a certain portion.

129. In practically all the other districts the selector has the option of the three tenures?—I think you are labouring under a mistake. I think it is only a portion of the land that he can take under these tenures.

130. You consider that the leaseholders under the lease in perpetuity should have the option of converting their tenure to occupation with right of purchase?—Yes.

131. Upon what terms?—Upon the invoiced cost.

132. Where the occupation with right of purchase is given now 5 per cent. is charged. Under the 999-years lease the charge is 4 per cent.?—I would make the man pay 1 per cent. with compound interest.

133. *Mr. Paul.*] What would you do with regard to land leased under the land-for-settlements system?—I would give the option just the same.

134. You recognise that the right of purchase makes such a lease more valuable than a pure leasehold?—Well, it is more valuable from one point of view; but there are so many people talking about revaluation and absurdities of that sort, and that is why the freehold is a more secure form of tenure.

135. Would you give the leaseholders the option of purchase in the case of Land for Settlements Act?—Yes.

136. What would you charge for the additional value given to the lease?—They are paying 5 per cent. now, and I would not charge them anything more.

137. You would give them something, a good deal more value than at present, for nothing?—I would give them what I think they have a right to.

138. Why would you charge an ordinary lease-in-perpetuity settler under the Land Act an additional 1 per cent.?—Because the holder only pays 4 per cent. instead of 5 per cent.

139. But you admit that the tenant under the Land for Settlements Act would get a very much more valuable tenure, and yet you would ask him to pay nothing for it?—He is paying 5 per cent. now, and that is quite enough. As long as he is paying 5 per cent. interest on the money he should get the right of purchase. The reason why his farm is more valuable is that he has a better title to sell than the leaseholder. Besides, he can cut it up, if it suits his purpose, to sell to some one else.

140. Are you acquainted with the settlement conditions in the South—I mean the conditions as regards the configuration of the country?—That is taken into consideration in placing the land on the market.

141. Do you know whether the settlers in the South under the land-for-settlements policy are successful?—Some of them are very unsuccessful. Take Pomahaka, for instance; and there are also several others if I could call them to mind.

142. Suppose the option of purchase is given in regard to these estates, do you think any evil would arise through the best bargains being taken advantage of and the worst lands left on the hands of the estate?—I know that there has been the greatest bungling in the allocation of rents of the lands that have been purchased. While some men have got their allotments too cheap, others have paid too much. But any man who has a holding worth sticking to will try to get the freehold.

143. Do you think there is any fear of the worst land being left in the hands of the State?—You mean the allotments that are not worth the money placed on them?

144. Yes, if you like to put it that way?—I believe there is a great danger of their being left in the hands of the State.

145. Suppose the tenant's improvements were conserved and a liberal valuation given, and the holding put up to auction, do you think that would be a fair adjustment of the difficulty?—I do not think so. I think if a man gets an allotment at the ballot he should not be charged more if he wants the freehold. If there has been bungling on the part of the Government officer who allocated the rents that is no reason why the selector should be made to suffer.

146. And if he gets a good thing through the bungling of the officers he should be given the advantage of it—that the State should stand it, though the whole thing might be adjusted if the property were put up for auction?—I do not think there is any good reason for putting it up for auction. It would be a breach of contract.

147. But you were suggesting a breach of contract in giving the freehold to the tenants?—Nothing of the kind. You do not break a contract by giving a man the option.

148. I understand you to admit that the title would be a good deal more valuable if the tenant had the option?—If he gets the freehold tenancy it is worth more than the leasehold.

149. Returning to workmen's homes, are the trains suitable?—Yes.

150. Is it a fact that the trains get in from one of these places ten minutes too late for the ordinary hour of business?—It is not a fact. The train gets to Auckland about twenty minutes to 8 o'clock. Most workmen go to work at 8 o'clock. A few go at 7.30.

151. Then, it would not suit those who go at 7.30?—The time should be changed to 8.

152. Can you say why the Christchurch workmen's homes are successful, and the holders satisfied?—I do not think they are satisfied. I am told that the settlements are not a success.

153. Well, I am forming my opinion from the evidence given to us, and visits to the settlements?—I cannot answer.

154. Did the law allow the Government to give the freehold to these selectors when they took up the land?—No, and the Government refused to alter the law when I suggested it in order to put the men in a better position.

155. What rents do these men pay?—It all depends on where they are located.

156. Do the rents compare favourably with those paid to private landlords?—There are very few private landlords out that way.

157. But you can strike an average according to distance and conditions?—I think it is favourable, considering the position. If the people had been only fairly and honestly dealt with, and the moneys which they were charged for loading had been put on the roads, things would have been different. But instead of making roads the Government only made what I call rabbit-paths, and put on them a sprinkling of scoria.

158. What is there in the leasehold detrimental to the interests of settlers?—You know as well as I do that the freehold is what every Britisher looks for. It is the best form of tenure you can have. If there is one part of the world more than another in which there has been trouble over land-tenure it has been Ireland. The British Government are now buying up estates there, but they are not offering the people the leasehold; they are offering the freehold.

159. What led to that condition of affairs in Ireland? Under what tenure was the land of Ireland held?—Leasehold, principally.

160. And who owned the freehold?—Private landlords.

161. Is there any analogy between the private landlord and the State as a landlord?—As far as Ireland is concerned, there is. The great trouble with the Irish tenant farmers was that the large landowners were extracting heavy rents from them and spending them in England and on the Continent. Here the Government are perpetrating exactly the same evil. They are borrowing money in the English market to buy large estates, and letting those estates to tenants under lease. Who is the real landlord? The money-lenders in England. And the rents received by the Government from the tenants are sent away from the country to be spent in England and on the Continent. That state of things will ruin any country.

162. Independent of what the landlord does, was the tenant under a private landlord in Ireland in a better or a worse position than the tenant of the State in New Zealand as to the length of his lease and the general conditions?—The Irishman was in a much better position, because when any serious calamities occurred to him a landlord would generally make concessions to him as regards the year's rent, and there is no fear of the Government doing that.

163. Then, in your opinion, the tenant in Ireland was in a better position than the State tenant in New Zealand?—I do not say that exactly, because the state of things as a whole is better here.

164. *Mr. Anstey.*] You state that £30 is the amount the Government insisted upon the tenant putting upon the land. Is that the limit?—No, that is the minimum.

165. Did not the Government assist by way of loans?—When a man spent £100 they would lend him £50.

166. Is it not a fact that they would lend £1 for £1 up to £50?—Yes, after he had spent double that amount.

167. Can you give any other reason why these workmen's homes are not successful—any influence which appears peculiar to Auckland? Is there anything in the climate?—No, but there is in the feelings of the people. They all want the freehold.

168. Are we to understand that there is something peculiar in the constitution of an Auckland man that requires specially favourable conditions before he can settle, which are not required by a man in any other part of the colony?—You are quibbling now.

169. In Christchurch there are a number of workmen's settlements, and the workmen came to us and expressed entire satisfaction with their conditions—in fact, strongly urged us to recommend that the system be extended. If the system is so successful there, why is it not also successful in Auckland? You say that the land is as good in Auckland, and the other conditions seem to be the same. There is no difference as regards climate, so, surely, it must be the people?—I cannot compare this district with Christchurch. I can only say that from information I have received from people in Christchurch, the settlers there are in just the same position as those in Auckland. They want the freehold, but some of them are afraid to speak the truth.

170. Is it quite correct that Auckland workmen prefer to live in the city, under bad sanitary conditions, rather than go out and make homes for themselves in these hamlets under the lease-in-perpetuity system?—They do not prefer it, but perforce they have to stay.

171. *Mr. Forbes.*] In case of giving the option of the freehold to settlers on the land-for-settlements estates—say that the Government are putting a railway into an estate at a cost of £200,000, which raises the value of the land fully £1 per acre—do you think in that case the tenants are entitled to that £1 per acre?—If they get the freehold the land is taxable, and the Government can levy an increased tax.

172. Would you put on a special tax to cover that increase in value?—I would not treat them differently from other people. Those who have large freeholds have special taxation.

173. Do you think that the better way, and the solution of the land question, would be through taxation rather than through withholding the freehold?—I think the tenure that the people like is the freehold tenure, and even if they have to pay a little more for it they would like to get it; but I do not see why they should be charged anything more for the land through any revaluation because they are getting the freehold.

174. But I mean because of the railway?—Well, how can it make any difference to the Government after they have parted with the land for 999 years? They cannot raise the rents or get any profit out of the land for 999 years, how can it affect the Government if they give them the freehold. They can, of course, tax the land.

175. In connection with these workmen's homes, was there any agitation in the matter in Auckland?—There was. A large number of men came to me. What drew my attention to the matter was an inspection I made of the city, and I was so struck with the miserable condition in some quarters that I thought it would be a boon to these people to enable them to get into the country, where they could

rear their families in decency and order. Not only were many parts of the city unsanitary, but the moral condition was fifty times worse. I defy any man, let him be ever so respectable, to bring up children properly under certain conditions without their being contaminated and a portion of them going to the bad. I wanted to try to get these people under better conditions.

176. And it appears that they have not gone out, even when given the opportunity?—No; because they cannot get the freehold.

176A. You think that is the reason?—That is the reason they have all given to me.

177. *Mr. Hall.*] If the option of the freehold had been given would the settlement have been successful?—I am satisfied that it would.

178. Did you anticipate that the right of a freehold would have been given when you took measures to have the land set aside?—The scheme that I put before the Government gave them the right to the freehold on paying 1 per cent., or as soon as they could get the money to buy the land.

179. I suppose you are aware that the land in the suburbs of Christchurch is superior in quality and that there are good roads everywhere, and also that the land set aside for homesteads is much nearer the city than Avondale is to Auckland. Has that much to do with the comparative success experienced there?—I do not think it has. I believe that if the freehold had been given to the settlers on the land set apart here it would have been taken up readily, especially if a little more assistance had been given in the building of houses.

180. But the freehold was not given at Christchurch, and the system has been fairly successful there?—I believe that, with regard to land-tenure, Christchurch is behind the times.

181. *Mr. McCardle.*] You have taken great interest in workmen's homes. Do you not think that the principal drawback to purely working-men is not so much the question of tenure as the question of money to build cottages? Do you not think that if the State is prepared to relieve the congestion in the city it should advance the whole amount of money to build the cottage? Are you not of opinion that the State would run no risk, and that the rapid growth of the city would give the Government good security?—That was my opinion when I brought the matter before the Government—that the cottages should be uniform, and of fair size for people with families. But the Government would run no risk in building cottages for people when they were so situated.

182. Are you of opinion that it is only a man with a certain amount of capital who could avail himself of taking that land?—That is so.

183. Do you think the State ought to advance more liberally, and assist the settlers more liberally than they are doing?—Yes.

184. *Mr. Paul.*] You spoke of the deplorable conditions under which many men live in the city, and yet they do not go out to these settlements because it is under the lease in perpetuity?—Yes.

185. Did they have the freehold in the city?—No.

186. Did they have any chance of getting the freehold in the city?—Not the slightest.

187. *Mr. McCutchan.*] You were asked a little while ago this question: If the freehold were given would not the better sections be bought up and the other sections left in the hands of the State? Is it not a fact that if the good sections were purchased the State would not be in any worse position than they are now with regard to the poorer sections?—I do not think that the State would be in any worse position.

WILLIAM PEAKE examined.

188. *The Chairman.*] What are you?—I am a carpenter and joiner by trade, but I have had some experience in farming both in New Zealand and Australia.

189. Have you any land in New Zealand now?—I own a small property in the suburbs of Auckland, of which I am the occupier. The tenure is freehold.

190. What is your opinion as regards tenure?—I am tendering evidence on behalf of the Trades and Labour Council of Auckland. I am one of those objectionable unionists. I have been over forty years in this country, and have had some experience in the South Island, and, as a result of that experience, I believe it would be better for the Crown not to sell any more land. I believe it to be to the advantage of the workers and the community as a whole to have the full benefit of the value the community creates on the land. Many years ago I remember some Canterbury land being taken up at £1 an acre. To-day it is worth from £20 to £40 an acre. Now, the individual owner of that property has not created that value. The State has created it by means of carrying railways and roads through it, and it has been further increased by the settlement going on all round it. Therefore I say, in justice to the community or the State, the State is entitled to that value over and above the improvements created by the individual owner. We believe that the settler and the farmer has every right to all he can produce, but we do not think he has a right to what the community creates. The State has the right to such an unearned increment as I mentioned. We believe if the community and the State got that value our present rates would not be so high and our Customs duties would be considerably lower. It would then be easier to get a living than at present for all, and it would be a means of giving to each and all access to the land. In reference to workmen's homes, which an endeavour was made to establish outside Auckland, I attended the first meeting called by Mr. Bollard, and as one who had had some experience in farming, I knew what it meant. I should like to state now the reason why, from a workmen's point of view, the scheme proved a failure. In the first place, the quality of the land is against a workman taking it up, for the greater part of the land which was offered is merely fit for making bricks. If any man wants good land it is the workman, because he has so little time and capital to expend on the land. Take the land at Avondale offered for workmen's homes. It would mean a considerable outlay for manuring, and so forth, before he could get any return at all. Again, if a workman has to get to work in Auckland and work eight hours a day, it must be remembered he has got an hour's journey by train, and as they cannot all live just around the railway-station, it might take from half an hour to three-quarters of an hour to get to the railway-station before the train

left. There is pretty well an hour and a half of his time gone. That means he would have to leave his home at 6 o'clock in the morning, and he would have to be up at about 5 o'clock to do a few little things about before leaving. How much time has he got in that morning to spend on his place. At night he leaves off work at 5 o'clock and possibly catches the 5.10 train. That means it is pretty well 7 o'clock before he reaches home. How much time has that man left to put into his place or improve it. On Saturday, if he does get the half-day off, he leaves town at 12, or sometimes 1 o'clock, and it is perhaps 2.30 before he gets home. He wants his dinner, and it is 3.30 before he can do anything to his land. That is the side of the question you have to face. If it were Remuera or Epsom, where we could get a plough into the ground and get our crops without the expense of manuring, clearing, and draining the land, it would be quite a different matter; but when a man has got to take rough scrub land and do all these things, it becomes an impossibility. From a worker's point of view, if the workmen's homes are to be any success at all we believe we should have some of the best land that can be obtained within easy access to the city. We do not want the Government to give us this land altogether, because we are prepared to pay a fair rental, and we think the leases should be subject to revaluation, so that the State or the community should get fair rates from the creative value which the community makes. Another reason is that it will give the workman who has £200 or £300 the full use of his capital to build his house and improve, and give him the opportunity to live for the first one or two years until he can get some return from his land. Another thing with regard to the freehold is this: that those of us who want to buy a piece of land would have to go to a freeholder, and we have to pay him the price he asks, and a greater part of that value is created by the State and the community. We have not the means to do that. We also consider that for the State now to be selling Crown lands and at the same time buying up large estates at an enormous profit to the present holder, which profit the community has created, is a most absurd policy to pursue. For instance, there have been some estates sold in the South Island which I can remember, before the railway-lines were through, could be bought at £1 to £1 10s. an acre, and which have been sold at from £10 to £15 an acre. That value the State and community have created, and we, as a people, are paying for it.

191. Suppose the Government were trying to make arrangements to buy some land for workmen's homes at Remuera and elsewhere in the suburbs, they would immediately be faced with the difficulty you have found. They would probably have to pay some hundreds of pounds per acre for it—perhaps thousands, as the Compensation Court always allows full value to the owner of land taken by the Crown?—I believe that good land could be got now within half an hour to an hour's run of Auckland at £100 an acre, just outside Epsom. I was in a land agent's office the other day, and was informed that there were 48 acres offered at £26 an acre within three-quarters of an hour's run by tram or rail from the city. It was reckoned second-class land.

192. The Government sent an officer to see if any land could be obtained somewhere about Otahuhu, but the prices asked were so high and the difficulties in the way of acquiring it so great that they turned their attention towards Avondale, and the trains were altered to suit. On behalf of the Government I was to say there was much attention given to the subject. If you got land highly improved the price would be so high that even 5 per cent. on that would be altogether beyond a workman?—We do not look for highly improved land, and we should be sorry to be at all unreasonable.

193. How much fairly good land do you think a workman should have for a home in the suburbs?—It depends upon the quality of the land. I would rather have half an acre at Remuera than I would 5 acres at Avondale; and I could do more with it and with less labour.

194. Do you not think a quarter of an acre would be enough of that good land?—I was thinking of giving families an opportunity of keeping a cow, and an acre of good land would enable one to do so and to go in for poultry. I wish to make the workers as independent as possible. At the present time the Government have to deal with the "unemployed" question, and there are many of the workers not in regular employment, and if they had sufficient land to do something with they would be comparatively independent. We do not wish to become independent at the expense of the community at all but I believe it would pay the country and the Government to give the workers an opportunity of acquiring a piece of decent land. There are any number who would be only too glad to occupy land and utilise it to the best advantage.

195. *Mr. McCutchan.*] You claim to look at this question from both sides, and to be in a position to do so from your previous training?—Yes.

196. Are your views in accordance with the propaganda of the trades and labour unions of the colony?—I do not know that I can say that they are altogether, because we, like many organizations, have many extremists amongst us who do not study the question sufficiently.

197. At a conference at Wellington your unions advocated revaluation of existing leases upon transfer or upon the death of the lessee?—Yes, I believe that to be right.

198. Do you believe in breaking the contract?—Not with the present individual owner. We only advocate revaluation on the death of the present lessee or upon transfer of the lease.

199. But that is advocating a breach of contract?—Not with that individual.

200. Surely, if the lease is for 999 years it must be not only for himself but for his heirs?—We believe the Government made a great mistake in giving that 999-years lease without revaluation. It is wrong both to the community and the State as a whole.

201. You advocate that the contract be broken now?—I think that there would be nothing unjust to the present lessee if he is allowed to use his land under the present term of contract, but on his death or on transfer I believe it would be only right and just to the State and the community that it should be subject to revaluation.

202. Is that the view held generally by the Trades and Labour Councils of the colony?—Yes.

203. Do you claim that the unearned increment belongs to the state?—Yes.

204. Will you be good enough to define "unearned increment"?—I have known cases in Canterbury where men have bought land at £1 per acre, and afterwards, when the railway came there and

other settlement formed around this land and roads were formed, they got from £5 to £10 for that land. The land was held by men who had the capital to hold it in idleness, and they never spent a penny upon it. We believe it was the State and the community which caused that increase in value and which gave the railway, and we as consumers pay for that through the Customs; and we believe as part of the State we are entitled to a part of that value so created.

205. Taking your upset value at £1 an acre—a man gets land at that—and suppose in a few years' time he sells it at £10 an acre. Suppose he puts improvements upon it to the extent of £4 or £5 an acre, which would be about the average of improvements on a farm, that brings the amount of his expenditure up to £6 an acre. Well, the selling-value is £10, and you claim that the other £4 belongs to the State?—We say that he should be rated up to that.

206. You claim that the interim value belongs to the State?—Yes.

207. Is it not a fact that improvements inside the ring-fences of properties very often do not represent anything like the total amount of money spent by the holder. For instance, when this Commission was passing through the Otago district the operations of the Taieri Dairy Company were brought under our notice. That is an industry started by the settlers themselves, and the late Sir John McKenzie said that that industry put £2 an acre on to that land. But a valuer going on to one of the properties in the vicinity would not see that expenditure within the ring-fences, although it is the enterprise of the settler and his money which puts that added value on. Further, the Timaru Harbour Board spent £400,000 on a harbour that has increased the value of property there, but you will not find that within the ring-fences. Then, in another place the settlers spent £7,000 upon establishing freezing-works, and that is not to be seen inside the ring-fences. You said that a railway adds to the value of property?—Yes.

208. Does the Government put a railway out into unsettled country?—It should do so.

209. But, taking things as they are, when a railway goes out in a district it is because a number of settlers go out first, and they produce sufficient to make that railway pay by way of freight and sufficient to keep up the average earnings of the railway. It is the particular part of the community which goes into the district, develops it, and produces freight which enables the railway to pay. In view of all these facts is it not difficult to define "unearned increment," if it exists at all?—The Timaru Harbour Board borrowed thousands of pounds, for which the community as a whole are responsible.

210. No?—If I am a tenant in a house is it the landlord who pays the rates or is it the man who pays the rent to the landlord. We do not believe there is any philanthropy or charitable aid about it. The landlord may actually hand over the rates, but he takes care that he is recouped by the tenant, and the tenant by the lodgers.

211. *Mr. Paul.*] With regard to these workmen's, homes your contention, briefly, is that these areas of 2 acres or so were of no use to the workers—not that class of land—and that it would be better to have a smaller area of land closer to the city?—Certainly.

212. With regard to revaluation of present leases, do you not think your argument is somewhat illogical. You propose to take the community-created value on a leasehold: what action do you propose to take so far as the community-created value on the freehold is concerned?—I would rate them up to it by means of the land-tax.

213. Do you know the feeling that the action of the Trades and Labour Council has generated throughout the country?—I know the feeling so far as the freeholder is concerned, but I look upon it that the freeholder wants to get the right to the unearned increment. That is why he wants the freehold. I have a freehold myself at present—and individually I like a freehold—but I believe, in the interest of my fellows and the State, that it is better that it should be a leasehold, or that we should have a land-tax so that the community should get the full benefit of their created value.

214. Many leasehold witnesses who have come before the Commission demanding the freehold have given as a reason their fear of a revaluation of their leases. They say the lease in perpetuity would be all right as a tenure if it were not interfered with. They are prepared to stick to their side of the bargain and they think the State should stand by theirs?—And we thoroughly agree with them. As long as they live and want to occupy the land they have a right to it, but when the Government have made this great blunder by giving 999 years without revaluation, we believe, on the death of the present lessee or transfer to another, the community should come in and claim their right.

215. Do you think the Government have made a blunder in giving the freehold?—Certainly.

216. Do you think it is exactly right to take away the community-created value on the leasehold in the way you suggest, or do it in another way—by land-tax—so far as the freehold is concerned? Would it not be just as logical to ask that something should be done with the freehold on the death of the holder or when he sells to some one else? Our idea was that there should be an increased land-tax—that the land should pay its fair proportion and nothing more?—I believe in the rating on unimproved values.

217. Do you believe in the land-tax exemption of £500 as at present?—I think it should be reduced.

218. Do you think it should be done away with altogether?—Yes.

219. As a city worker, do you find the cost of living has increased out of all proportion to the cost of wages?—So far as my trade is concerned, when I was in Canterbury many years ago we were getting 10s. a day just as we do to-day, but the cost of living has gone up 30 or 40 per cent.

220. It has been stated by farmers and others that it is the arbitration awards and the rise in wages that has made the cost of living what it is?—When the arbitration award was given for the wages of the workers to be raised up to a certain standard up went bread 1d. a loaf; and, although this was all put down to labour, the owner of the shop got something like £1 10s. to £1 15s. profit.

221. You mean the employer really gets a profit by paying a higher wage?—Yes. A ton of flour pans out so-many hundred loaves, and a penny loaf pans out so-much extra because the charges amounted to so-much per ton. A penny a loaf panned out from £2 to £3, as the case might be, and there was an extra profit of from £1 5s. to £1 10s.

222. Now, as to rents, from your experience, is the worker paying a fair rent?—He is paying too high a rent altogether.

223. Do you think it imperative that the Government should extend the principle of workmen's homes?—I think it would be greatly to the advantage of the worker and the community as a whole.

224. Do you think the need is very pressing?—I think it is under the present system of landlordism and the monopoly of land.

25. *Mr. Anstey.*] You say your organization is in favour of revaluation of lands held under lease in perpetuity upon death or transfer: do you think a man's wife has no interest in the lease that he has taken?—Yes; she has an interest, but we believe that it should be revalued.

226. You think a widow should pay a higher rent than the husband did during his life?—If the widow still carried on it might be taken to mean that the husband carried on.

227. Do you think it right that the widow should pay a higher rent than the husband?—I think a little difference might be made in such cases.

228. How would it apply to the children who were working on his land and improving it: have they no rights?—Of course, there are many things to be taken into consideration. There is the extra value which the community has created, and if the land is worth so much more they would be in a position to pay the extra rate charged.

229. You did not give a definite answer to this: that if it is right to revalue leases held for 999 years, is it not right to revalue a freehold upon death or transfer?—Well, that was supposed to be dealt with by rating.

230. What is the opinion of your union?—We believe, as a whole, it would be better for the State to hold the whole of the land. My personal opinion is that the freehold and the leasehold should be dealt with in the same way, but I grant you at the same time that the occupier should have full right to all his improvements.

231. Suppose land which was originally bought at £2 an acre is not to-day worth £1 an acre, although there are large improvements: do you think the State should make up to the owner the decrement, seeing that you believe the State should take the increment?—That would be subject to fair rating on the value of the land. The land should be rated according to its value.

232. But that is what is being done now. But in the case of increment, you propose to take it?—Personally I see very little difference, so long as the community gets the full benefit of the created value, whether it is freehold or leasehold.

233. You seem to be rather evading my question?—I do not wish to do so.

234. With regard to workmen's homes—which you say are more or less a failure—seeing that you cannot get suitable land sufficient to give areas of 2 acres each to workmen, would it not be better to settle workmen on smaller areas as low as a quarter of an acre?—Yes.

235. Is there any land just adjoining Auckland suitable for cutting up into quarter-acre sections for workmen's homes?—I believe there is land to be got at Remuera and at the back of the Veterans' Home, and I believe there are other lands which I am not well acquainted with.

236. *Mr. Matheson.*] Are the workmen's-homes sections, or the bulk of them, at Avondale and New Lynn, near to the railway-station?—I believe so.

237. The maps seem to show that they are. Do you say that the trains take an hour to get to those places?—I say from three-quarters of an hour to an hour, but I was talking about Henderson. I believe you could get to Avondale in from an hour to three-quarters of an hour.

238. When a merchant comes to a small town he will often have to pay £100 for the goodwill of a business, and if the town grows into a city like this, the value of that business increases by many thousands of pounds. Is part of that goodwill caused by the community?—Yes; the community create that goodwill.

239. Do you consider the State should take that goodwill from him?—I consider there should be some mode of getting the value created by the community.

240. *Mr. Forbes.*] How many people do you represent?—We have fifteen unions affiliated to the Trades Council, and there are about two thousand connected with the various unions.

241. In answer to a previous question you said you would be in favour of taking away the Crown grant upon the death of the holder, just as your union said they would do in the case of the lease in perpetuity. Did you intend that?—I would not break any contract.

242. In reply to a previous question you said you would be in favour of doing the same with the freehold as you would with a lease in perpetuity?—I would deal justly with them. I would not take away his land. I intend the State or community should get the value by a land-tax.

243. Is not one of your planks that the unearned increment could be got from the freeholders by means of the land-tax?—Yes.

244. Do you not think, to be logical, the same principle should be applied to the lease in perpetuity?—Yes, I believe it would amount to the same thing.

245. Would that not be a more equitable and just way of dealing with those people than breaking a solemn contract entered into?—Probably it would. So long as the community get the benefit of the value created by them that is all they are entitled to.

246. This pronouncement of the conference in Wellington has caused a great deal of apprehension in the country that their leases will be broken. Some of those men who were not originally takers-up of these lease-in-perpetuity sections have bought in, and now they hear the Council wish to break the leases?—It would not affect those who bought in. You could only deal with those at present in existence.

247. Do you think it would be more equitable and just to deal with those leases by taxation?—Yes, I believe it would.

248. *Mr. Hall.*] Have there been many instances of members of your union taking up Crown land and making them productive?—I have known one or two, but, as a rule, most of them have not much capital, and they do not see their way clear to take up land.

249. If they do not understand the working of land themselves, do you think they are fit to advise people in this very positive way?—Well, we claim that as taxpayers we have the right to express an opinion.

250. You know that among the Native population the practice is to hold their lands in common, and, I take it, that you propose to apply that principle to the community as a whole. Among the Natives, suppose one man is more industrious than the rest, and starts improving and planting a piece of land. Some morning he finds some Maoris in his patch of ground, taking away what he has planted, and when he remonstrates with them they tell him it is common property and belongs to them all. Is that not something like one section of the community saying to another section, "You go out and improve the country, and we will come in and share all alike"?—We believe a man is entitled to the full value of all the improvements he makes and to all the produce he grows.

251. Is it not the industry of the settlers singly and collectively that creates the value of the land to the country?—I think he is entitled to the value he creates, but is not most of the increased value given chiefly by railways and roads.

252. I think the settlers have to pay all the rates for roads and railways?—We in the city know to our cost that we have to pay our share for them.

253. *Mr. McCardle.*] You said you were in favour of a reduction of the present exemption of £500 that is allowed to the small settlers as regards taxation?—Yes.

254. Have you had any experience of the back-block settler and his average earnings?—I have had to get up at 4 o'clock in the morning and work till 9 at night dairying, and I have done my share of draining, stumping, and scrubbing.

255. You did not remain a fool, like many of us, and stick to it. Are you aware that the average that such a man earns with the assistance of the whole of his family does not amount to more than £70 a year, and he pays the same amount through the Customs as you are doing to-day, and yet you would inflict upon those people extra taxation?—No, we do not wish to do that.

256. The whole of your argument tended in that direction?—I question that, rather.

257. I want to put you right in one little matter. You stated that many years ago you knew of land being sold at Canterbury at £1 an acre. Is it not a fact that there was not an acre of land sold in Canterbury under £2?—I believe you are right. It is a good many years ago, and I have forgotten the exact price.

258. I am very pleased to find that you interest yourself so energetically in the cause of the workers, and I am heartily in sympathy with you. Do you not think it desirable in the interests of the workers of the city that the Government should find sufficient money to enable deserving people to make homes for themselves?—Yes, I believe in deserving cases the Government would not lose money by it.

259. The difference between you and me is this: that wherever I can see a possible way of advancing the cause of the workers in the city I put my heart and soul into it, but when it comes to those who are struggling in the back blocks, those settlers who with me have to travel miles and miles without a road, you tell us when we have a leasehold you will take it away, and you hold that the interest we are trying to create for our families should go to the State. Do you think that is fair?—We do not wish to do that.

260. Your argument appears to aim at that?—I thought I had made it perfectly clear that all the improvements you have created as an occupier of a block of land your family is entitled to.

261. I take you to be an intelligent man, and you are aware that the progress of the country and the town must work hand-in-hand, and yet, according to the utterances of your union, you wish to develop the one as against the other?—I am entirely opposed to anything of the sort, because we could not do anything detrimental to the country without feeling the effect of it in the town.

262. Then, we want to have a better understanding with one another?—If any of our arguments are wrong from your standpoint it is only right we should be made acquainted with it, and I should be only too glad to come to a better understanding.

263. *Mr. Paul.*] Do you not think it would be more practicable if the workers asked for, say, a quarter of an acre for workmen's homes. Do you think if he cultivates a quarter of an acre properly it would be better than holding a larger area which he has not the time to work properly?—Yes, it would be better than 2 acres not properly cultivated.

264. You recognise that there is more chance of getting a quarter of an acre for a home than if you ask too much?—Certainly.

265. You know that neither you nor I want to put town against country. Now, I will just ask you this: how many workmen have you known during your lifetime who have died rich, and have obtained their riches by working for wages?—Not one. But I have known a few farmers and a number of large landholders who have.

At this stage the Commissioners resolved themselves into two divisions, Messrs. McKerrow, Anstey, McCutchan, Johnston, and Paul proceeding to the Taranaki District; Messrs. Hall, McCardle, McLennan, Matheson, and Forbes remaining in the Auckland District. Taranaki evidence follows Auckland evidence.

HAMILTON, MONDAY, 29TH MAY, 1905.

FRANCIS CHARLES EWEN examined.

1. *The Chairman* (Mr. Hall).] What are you?—I am a Crown Lands Ranger. I have been in the Waikato a good number of years, and I have a generally good knowledge of the country.
2. *Mr. Forbes.*] Are the settlers around here doing well?—As a rule, all the settlers are doing well.
3. Are there many under your charge?—Not in the immediate vicinity.
4. Is there much Crown land around this district?—Not within a radius of twelve or fourteen miles. Most of the land is held as freehold here.
5. Speaking generally, would you say that the settlers are satisfied with the administration of the Land Board?—All those I have met are well satisfied.
6. Have they raised any objections to the restrictions placed upon them under the various Acts?—They think that the residential clause is rather too strict. They think that a man who improves his land satisfactorily should not be compelled to reside on his section.
7. Do you think if the residential condition was made easier it would be opening the door to dummyism or anything of that sort?—Certainly, I do.
8. Do you think that the present regulations are good ones?—I think they are the best. I think a good number of people would take up land if they had not to reside on it, and in that way they would prevent a number of people who did want to occupy the land from getting it.
9. It has been suggested to us that if double improvements were effected residence might be waived. Do you think that would be wise?—I do not think so.
10. It has been suggested, in the case of a new settlement, that if double improvements were required to be effected instead of residence, employment would be provided for those settlers already on the land; do you think that is a reasonable suggestion?—It is to a certain extent, but I think residence ought to be compulsory.
11. Is there any attempt to evade these residential conditions?—No; at the same time, they grumble a good deal.
12. Has compliance with these regulations occasioned hardship in any way?—I do not think so.
13. What is the class of land that is mostly settled on?—The majority is rough bush land and broken country. Some of it is fifteen or twenty miles from a centre.
14. Have the settlers good roads?—No, the roads are bad.
15. Do you think in cases like that the residential conditions should be made easier?—I think there are a number of settlers who are quite willing to go into the back country if they can get the land, and reside on it.
16. Is there much Crown land yet to be settled?—I do not think so.
17. Has all the Crown land under your charge been opened to the public?—Yes, it has all been balloted for.
18. *Mr. McCardle.*] Are you acquainted with the country south of Kawhia?—Yes, I have travelled through the country.
19. I suppose you know the Te Awaroa Settlement, and that it is practically isolated, and has no road at all?—That is so.
20. Under the circumstances, do you think it is fair that the settlers in that block should be compelled to reside on their sections before they have even a track?—No, I think it is only fair that they should have a road before the land is thrown open for selection.
21. And is it not a fact that some young married men with families are compelled to reside out of the settlement in order to get education for their children?—I am not aware of cases of that kind.
22. Do you know the Kinohaku district?—Yes.
23. I suppose you are aware that the settlers in this district have had to cut miles of tracks to get their stock in and out?—Yes.
24. Do you think it is in the best interests of settlement that these settlers should be so treated in the matter of roads?—My idea is that the roads ought to have been made into these sections before they were thrown open.
25. I suppose in conversation with the settlers you have heard them make assertions that the roads were promised long ago?—Yes.
26. Are there any Government lands still available in these blocks?—Not that I am aware of, except some forfeited sections.
27. Do you think it is desirable they should be settled?—I do.
28. I suppose you have heard more complaints from the settlers about roads than about anything else?—Their principal complaint is about roads.
29. *Mr. McLennan.*] Are there any Crown tenants under the Land for Settlements Acts under your charge?—No.
30. Taking the Crown tenants, as a rule, do they put up buildings and fences equal to the old settlers who took up land under freehold?—I think they do.
31. Do you think, from your own experience, that they improve the land as well as those who have freeholds?—In the broken bush country I think they do equally as well.
32. From your experience, is there any demand among the Crown tenants for the option of the freehold?—No.
33. Do you think it would be advisable, when four or five settlers take up land in a block quite removed from settlement, that they should get a telephone to the nearest township to enable them to communicate with the doctor in cases of sickness or accident?—I think it would be a very good thing.
34. *Mr. Matheson.*] Do your duties take you over more than one county?—Yes, the Rodney, Waitemata, and Manukau Counties.

35. Is there much poor manuka and fern land in the districts you go over?—In the Rodney County there is a good deal. Roughly, there are about 8,000 or 10,000 acres. Some of it is Crown land and some of it is not.

36. Can you suggest any new move the Government could make to encourage the use of such land?—As a rule, people shy of that tea-tree land. It costs £3 per acre to get it into grass, and they get very poor grass, and the tea-tree comes up again.

37. Do you think it wise to encourage people to use it for fruit-growing?—I do. It grows fruit very well.

38. To do so would they not have to spend a much larger amount of capital in improving the land than the land itself is worth?—Yes.

39. Do you think if it is offered for fruit-growing it would be wise to give the land free, provided the people set out a certain proportion of the area in fruit?—Yes.

40. Is there much Native land in your district?—No.

41. *Mr. McCardle.*] In Kawhia South, is it not a fact that the improvements of most of the settlers are a long way in advance of what is required by law?—They are.

42. And have they not proved themselves a good class of settlers?—Yes, they are a splendid class of settlers.

43. Is there not a large area of Native land surrounding the Kawhia Harbour?—Yes.

44. Is it not a fact that that land is a great drawback to settlement?—Certainly; there is a lot of good land which could be brought into cultivation at very little expense.

46. You think the country cannot progress until these lands are dealt with?—No.

47. *Mr. McLennan.*] Evidence has been brought before us on several occasions to the effect that Crown tenants do not put improvements on their property equal to those of freeholders. Is that your experience?—No. I have found lease-in-perpetuity settlers do improvements in the shape of fencing, grassing, and buildings equally as well as other settlers.

48. *The Chairman.*] Do you think that a settler who goes into back country with young children, out of the reach of schools and the other advantages of civilisation, should be compelled to reside on his section, or do you think the condition should be relaxed, provided he puts substantial improvements on his property until such time as roads and the other benefits of civilisation reached him?—I think the residence conditions might be modified in the case of a man with young children who takes up land in a district where there is no school.

49. *Mr. Matheson.*] Have you a personal knowledge of the administration of these Maori lands?—I have not.

50. Have you any knowledge of the demand for new machinery to make use of them? Do you think the present machinery enabling Natives and Europeans to deal with Native lands is satisfactory?—I do not think it is.

51. Can you suggest any improvement on it?—I think the Natives should be allowed a certain area for their own use, which land should be made inalienable, and I think the Government ought to buy the remainder from them in order to make better use of the land.

52. Do you think the Crown should take the land over and sectionise it and offer it for settlement?—I think so.

53. And secure to the Natives the interest accruing from the capital received?—Yes.

THOMAS CARLESS examined.

54. *The Chairman.*] What are you?—I am a farmer at Ngaruawahia. I hold 33 acres under lease in perpetuity, and my wife has 16 acres of freehold. My land was swamp and bush land covered with noxious weeds. I am paying 10½d. per acre rent.

55. *Mr. Forbes.*] Do you earn your living off this land?—No. I have had to go out and work.

56. How long have you held the land?—Thirteen years. I have spent £315 in bringing it into cultivation, and it is not half cleared yet.

57. It appears it would need a great expenditure of capital to bring it into profitable use?—It has cost me £20 per acre to clear the noxious weeds off it.

58. Are there any other tenants near you?—Four altogether.

59. Are they in the same position as you?—They are as badly off as I am. The land has been very difficult to drain. It has cost me about £1 10s. per acre to drain, and in draining my land I have benefited a speculator alongside me who has not paid a penny. If the drainage had been done under a proper system it would not have cost more than 5s. per acre.

60. Do you think the Government should have put drains in before they settled the land?—Yes.

61. If the Government had put drains in before settling the land, and charged more rent, would you have been willing to pay an increased rental?—Yes.

62. Are you satisfied with the lease-in-perpetuity tenure?—I think the lease in perpetuity is very good. I think the tenure is an ideal one. I consider that the Government have no right to sell the unearned increment, and that no man has any right to buy it.

63. Do you think the lease-in-perpetuity tenure is equal to the freehold?—Yes, provided the rent is not charged on more than the unimproved value of the land as it is assessed for taxation purposes.

64. Have the settlers around you got the same lease as yourself?—Yes.

65. Possibly you may have noticed in the evidence that has come before this Commission that there has been a considerable demand on behalf of the Crown tenants for the freehold, because they do not feel secure under lease in perpetuity: would you say that was the feeling of yourself and fellow-settlers?—It is not my feeling. I think the lease in perpetuity is the right tenure. I work as hard on my section as I would if it were freehold.

66. Do you have any trouble with the Rangers, or any thing like that?—As far as the Land Board is concerned, I have been here thirteen years, and I have not had a visit from them. The only thing I have to complain of is that if the Rangers had made more frequent visits the noxious weeds would not have been so bad as they are.

67. What could the Rangers have done?—They could have called the tenants to book before the weeds had got so bad. My worst weed is the blackberry. In regard to Land Boards, I believe that the Crown lands in each county should be under the charge of the County Council. When I came to the colony twenty years ago and went to the Land Board Office, I could get no information from them. If the land had been under the charge of the County Council they would probably have shown me maps and given me information, and sent a man around with me to look at the land, and I should have been settled long before I was.

68. Are not things better now?—Yes.

69. How are you off for roads?—Our roads are fairly good.

70. *Mr. McCardle.*] You have spent £300 on 30 acres?—Yes.

71. What is your section valued at now for county rates?—I do not remember.

72. We had a witness before us in Auckland who said that the land should be revalued on the death of the tenant at present holding the lease, and that the rent should be raised on his widow or children over and above the value of his improvements; do you think your land would sell to-day at £10 per acre freehold?—I believe it would, but it is not worth that.

73. If this suggested amendment were carried into effect, and your improvements were valued at your death, do you think they would be able to see the £300 you have spent: would it show on the ground?—I do not know whether it would.

74. To put the matter briefly, do you approve of the revaluation of your property at your death?—I think revaluation should take place periodically and before my death. When I took up that land the rent was based at 4 per cent. on the net capital value, and in twenty years' time I suppose that land would be worth double that. I consider if my rent was doubled, and my unimproved value was doubled, that my rent has not risen.

75. *Mr. McLennan.*] Are you or are you not afraid that your lease will be tampered with by this Government or any other Government?—I have no confidence in the Government whatever.

76. How many settlers would be benefited by the thorough draining of the swamp on which you are settled?—Nine.

77. Do you not think it would be far better to form yourselves into a Drainage Board and strike a small rate and do the work yourselves?—The difficulty is that the speculator put poor men on their land and they cannot afford to do the work. I maintain that the tenants should not be recognised at all in the matter of draining or fencing or clearing noxious weeds. The liability should be on the owners.

78. *Mr. Matheson.*] Do you say you have spent £20 per acre in improving your place, and now it is not worth more than £10?—I have.

79. Do you think there is any unearned increment there?—There is unearned increment to a certain extent.

80. *Mr. Forbes.*] You say the land surrounding your place is let by private owners to tenants?—Yes.

81. What rental do they charge?—In one case 2s. 6d. per acre.

82. Have these tenants got the land for a long period?—I think it is a twelve years lease, but they have it under a purchasing clause.

83. They are poor men, and they have not money to assist in the drainage-works?—Just so.

84. Will they be able to buy their places?—They will never buy them, in my opinion.

85. *The Chairman.*] If the improvements on your place have cost you £20 per acre besides your own time, and the land is only worth £10 per acre, where does the unearned increment lie?—You must remember it would not have cost me £20 per acre had the noxious weeds not been there.

86. Where does the value lie beyond your improvements and the original value of your land?—There is none at the present time. It is prospective. I would like to read this letter to the Commission, as it expresses my opinion:—

“ AS OTHERS SEE US.

“ *To the Editor of the Herald.*

“ SIR,—The socialistic Press of America gives glowing accounts of the good results of the land and labour laws of this country. Having a number of sons, and being convinced that favourable conditions were being established here, I came to take Government land, make my home on it, and have my sons settle about me. Accompanied by a friend, also on the same errand, I started on a bicycle from Auckland to reach the Kawhia lands, which the Government advertised as open for selection. My investigations on the way to Kawhia convinced me that land-values in New Zealand are very largely speculative, and they are much higher than returns from capital invested in lands at prices asked would justify; in a word, that there is a very pronounced boom in land. We found the Kawhia country very broken and inaccessible, fit only for pastoral purposes, heavily timbered in parts, with limestone cliffs everywhere. The soil, especially in South Kawhia, is excellent and well watered, but the country may truthfully be described as rough, very rough; a country in which no man of judgment and experience would make a haphazard selection. I was much surprised and disappointed to find that under the system in vogue the selection is made by a game of chance—a sort of land-lottery—managed by Government. The location of my home (if lucky enough to get one in Kawhia) was to be decided not by agreement between myself and Government, but by a blindfold man picking papers at random out of a hat—practically, by a throw of the dice; and on inquiry I found the dice loaded heavily against me, it being a common practice for whole family connections to ballot on desirable allotments to get

them for one of their number. One young man claimed to represent a syndicate, each member of which would ballot on the only allotment marked first-class in the district, to be improved and held purely for speculative purposes. I found the majority of those looking over the land did not intend making their homes on it. They were speculators, who found the system of allotment, the regulations as to residence and improvement, and the system of taxing holdings less than 2,000 acres favourable to their operations. I did find a few like myself who honestly wished to make their homes on the land, but they were confronted with the possibility that a large part of the district would fall to the non-resident speculator, whose improvements were made merely to hold the land for the unearned increment. For the resident settler this means an almost total lack of that co-operation which is so important a factor in the progress of new settlements. It means isolation, loneliness, and a greater difficulty in getting roads, schools, and every advantage of civilised life. On returning to Te Kuiti we found that the Government had disregarded the expenditures and exertions of both speculator and settler in the efforts to see the lands, and had withdrawn them from selection. They are again to be open for selection, this time under leasehold in perpetuity only. But that does not much improve the chances of the home-seeker. Under the existing method of taxation leaseholds will have a speculative value, and the holder may still be a non-resident. Nothing short of compulsory residence and taxation of land-values will cure the evil. Residence should be compulsory. In Canada and the United States the system has produced the best results. And the lands should be given in reasonable amounts to actual settlers free. In their present condition the Kawhia lands have no value because they produce nothing. The price asked for them by Government is purely a speculative value that can only come into existence by the lands becoming the place of residence of a settled community. That value is yet to be created. In the development of the Kawhia country two kinds of value will be created side by side. The industry of individual settlers will create improvement values which will be altogether due to individual effort or expenditure, and should belong exclusively to the settlers making the effort or expenditure. This being the fruits of labour, the Government have no right to tax it. But another value will attach to these lands, whether held under freehold or lease in perpetuity. This value will arise by reason of the presence of a settled community and the expenditure which its presence makes necessary on roads, bridges, schools, &c. This value the Government ought to tax, because it is created by the whole resident people, and in taxing it they would not take from any one what was created by his individual effort or expenditure. And their failure to tax it makes the operations of the speculator possible and profitable. This is the value the speculators who rushed Kawhia lands hoped to put in their pockets. The breaking-up of large estates by the Government here has encouraged rather than checked speculation. It is simply a system of unloading both improvement and speculative values upon the small holders to whom the Government allots the lands, and assures the large landholders of a certain ultimate sale of holdings with Government security for payment. Who does not know that land-values have largely increased here in three years past, and that a great proportion of this increase is speculative value, and that in breaking up estates no distinction is made between values which came from improvements and values which are made by the community. The Government, in borrowing money to deal in these values, is not remedying the evils which come from speculation in land, but is intensifying the dangers which are an inevitable result of the system.

"I like New Zealand; I am pleased with its land, its climate, and its people, and I should like to locate permanently, and bring my family to settle here. But after a close investigation, and calm review of your system of land allotment and taxation, I am compelled with regret to decide to return to America. Your land legislation and labour laws have not in any way remedied the inequality which springs from monopoly and speculation in land. It is only a partial and very paltry alleviation. No arrangement which does not place every man in the same relation to the land from which all men must live, can be permanent or final.—I am, &c.,

"JOHN MACMILLAN.

"Auckland, 13th March, 1902."

ROBERT DICKENSON DUXFIELD examined.

87. *The Chairman.*] What are you?—I am a settler at Ngaruawahia, my holding being 600 acres freehold.

88. Do you consider that the best tenure?—I certainly do.

89. Is there anything else that you wish to bring before the Commission?—First of all, with reference to the constitution of the Land Boards: I do not consider that at present it is at all satisfactory. What I would suggest is something like this: that one-third of the members should be nominated by the Government, one-third elected by the local bodies, and one-third elected by the leaseholders.

90. Elected under what franchise?—I should say they should be elected by the Chairmen of the local bodies.

91. Do you wish to mention any other matter?—I represent the farmers of Ngaruawahia. They are in favour of the present systems of tenure, but amended so as to put it within the reach of the Crown tenants to obtain the freehold under reasonable conditions. I consider that the freeholder is the best class of settler—that he is of just as much value to the State as the leaseholder. The value of any settler to the State is his value for taxation purposes, and the State is not prevented from taxing the freeholder. He is just as amenable to taxation as the leaseholder, and in addition he is better able to pay the taxes. I consider that leasehold tenure has been the ruin of the British farmer. I was bred on a British farm, and speaking from experience, I can say that if the farmer had the option of the freehold a great many who have left the country to seek new homes in other lands would still be in the Old Country as prosperous farmers. I consider that some of the restrictions upon Crown tenants are outrageous. I can see no reason for the system of grouping that was applied to the Matamata property. It seems absurd. I have been in touch with a great many who have had experience of the system, and they complain bitterly of the injustice. It is not as though all the sections grouped to-

gether were of the same value. In the majority of cases where men had sections allotted to them which they did not directly apply for they have used their endeavours to get rid of them, and exchange them for other sections. Another injustice to which the Matamata settlers have been subjected, has been that of two-fold rents. In many cases the settlers have had to pay rent for three or four months to the Government, and also the Assets Board in order to get possession. I consider that the Government should not have charged them rent till they were in a position to give possession of the land. I say that what has happened is a disgrace to the Land Board or whoever had charge of the matter. The Government were, I understand, calling upon the settlers to pay from the 30th June, and they were not able to put them in possession until somewhere about October. I would be in favour of doing away with the ballot system, and putting the sections up to auction—of course with a reserved price put upon each section. That would be fairer both to the Government and the settler. With respect to the advances-to-settlers system, I think the law expenses in connection with mortgages might be cut down. There ought to be a simpler method with respect to deeds. The present system plays into the hands of the lawyers. It is being urged by a certain class that the granting of the freehold means the aggregation of large estates. I do not see that it follows. You can limit by legislation the area of land a man should hold.

92. *The Chairman.*] Are you correct in saying that the cost in conveying land from the Government is as great as in the case of land bought from private individuals?—I am not prepared to say anything like that; but I know of some cases where the legal expenses were much greater than there was necessity for.

93. There are fixed charges which I know are greatly less than in the case of private transactions?—But the Government should cut down the expenses to the very lowest.

94. As regards the Matamata Settlement: are you quite clear that the tenants were paying rent before they got possession?—I am quite clear that it has been claimed.

95. Do you say that the tenants paid rent before they got possession?—Yes.

96. Is it not that they anticipated the time when they could get possession from the Government, and made an arrangement with the Assets Board?—Well it comes to the same thing. If they had not done that they would not have got possession.

97. *Mr Forbes.*] You represent the Farmers' Union?—Yes.

97A. How many members are there in your branch?—About thirty altogether.

98. Are you expressing the views of your union as to the constitution of Land Boards?—No; on that point I spoke personally. On the question of tenure I spoke for the union.

99. Do any members of your branch hold sections under lease in perpetuity?—Some of them are Crown tenants, but I could not say how many.

100. As to your illustration of the British farmer, there are no Crown lands at Home as in New Zealand?—No; but I consider the restrictions imposed by the Government here are greater than those enforced by the landlord at Home.

101. What are the restrictions that are so hard upon the settler?—You only need to read the conditions of settlement and you will see that the restrictions are more stringent than those contained in most English leases.

102. But you were referring to the conditions as printed, and not to their working?—No; I have no personal experience of them.

103. Do you say that the Crown tenants have complained to you of the conditions?—Yes.

104. What particular restrictions do they complain of?—I was referring to the Matamata settlers. Their general conditions, if enforced, would be far more severe than the restrictions in English cases.

105. But they have not had experience yet?—They have had this experience, that they have been called upon to pay this two-fold rent. I have seen a letter from the Commissioner of Crown Lands in Auckland. He wrote in a cast-iron sort of way stating that the rent must be paid—that he was merely a collector of rents in the matter.

106. Would not any landlord have done the same?—I never heard of a case of a landlord charging twofold rent. The Government should have charged no rent till they were in a position to give possession.

107. Do you not think that if auction were substituted for the ballot system people would bid against one another and run the rent up to more than its value?—That would be the outlook of the individual. The Government would not suffer.

108. One of the experiences of the Government in the past in connection with the option system has been that tenants would overbid themselves, with the result that they were not long able to pay the rent, and the Government consequently had to reduce them?—Has not that happened in the case of the ballot system when the land has been too highly valued.

109. Have you known cases where the rent has been reduced?—I have known cases where sections have had to be forfeited.

110. Is it not a first principle in settlement to get the settler on the land at a reasonable rental, and not at an extravagantly high price?—Quite so, but I do not think that that principle is carried out.

111. But you understand that that is the spirit of the thing. Do you not consider that under the auction system there is a likelihood of a man going higher than is reasonable?—I say that the same evil exists in the worst form under the ballot system. In many cases the land is valued by incompetent men, who put excessive values upon it with the same evil results as under the auction system.

112. What particular district do you consider too highly valued?—Matamata, for one.

113. That is the fault of the valuers?—It is a very hard matter to value land. Often a practical farmer will value a section better than a professional valuer. If you leave it to public competition at auction it is a man's own fault if he bids too high. Only by competition can you get the true market-value.

114. In reference to the law expenses of advances to settlers, is it your own experience they are too high?—In my opinion there should be hardly any expenses at all. The Government should adopt some system of having security without mortgages—say by having a stamped paper instead of a deed.

115. We have had evidence from the solicitor representing the Advances to Settlers Department that the charges made for advances was very much below the charges made in the case of private mortgages?—That may be, but I do not see why a settler should have to pay any such charges in dealing with the Government. I do not see why the Government should stop to consider the solicitor in the matter. The Government's money would be better invested by letting the settler have it than in giving it to the solicitor.

116. *Mr. McCardle.*] Is not a great deal of the expense caused through having to search for deeds, remove all mortgages, and so forth?—In some cases but not in all cases.

117. I suppose you have seen the scale of charges? Is it not reasonable enough if it was adhered to?—I do not see why there should be any expense for a mortgage-deed when the money is coming from the Government.

118. Returning to the auction system: are not evils likely to creep in from its adoption through persons paying too much for their land, and would it not be a system that would tend to bar the poorer class of settler from touching land?—I would give them the optional-system tenure.

119. Still might not the land rise to such a price that the hard-working settler might not be able to meet it?—You have the same thing under the ballot if the land is overvalued.

120. How many years have you been in the colony?—About thirteen years.

121. Would you be surprised to hear that some twenty-odd years ago the Government found it absolutely necessary to revalue the lands that had been sold under the auction system, and to reduce them as much as one-half?—You are missing one point in what I said—that the Government should put a reserve on the sections.

122. That is the lowest reserve. It is the higher one I am afraid of. The experience of the Government was—and I as a member of the Wellington Land Board am well acquainted, because I am one of those who made the revaluation—that land sold at £5 an acre had in some cases to be reduced to £2, to enable the holder to make a living on it at all. Do you not think that in view of that fact it would require much stronger arguments than you have produced to persuade the Government to abandon the ballot system?—You would have to do the same thing if the land was overvalued under the ballot system.

123. If there is anything wrong in the Matamata valuation, is not that the fault of the Government valuers and not of the ballot system? If practical men were appointed would they not put on proper values?—Not in all cases. A man needs to know something about the district, and also to have some experience in farming.

124. That is what I say. Does not the fault lie with the men appointed?—I think a practical farmer would be capable of making the valuation.

125. Exactly what I wanted. If a capable man were appointed to value there would be no such thing as over valuation?—Yes, and in all cases a capable farmer has not been appointed.

126. Is it not time we had an improvement in that respect?—Yes.

127. Are you acquainted with the leaseholders at Matamata?—A few of them.

128. Do you know if any of them are anxious for the right of purchase?—Most of them are. All of them that I have come in touch with.

129. If you granted the right of purchase to them, on what condition would you grant it?—Something the same as if they had taken up the land under occupation with right of purchase in the first instance.

130. Of course you are aware it would cost something to the State to alter the system—that it would require a Bill to be put through Parliament?—But that would be only a small matter when spread over the whole colony.

131. Do you consider that the Chairmen of counties would be the proper persons to elect the members of Land Boards?—Yes, to elect one-third of a Board. Their position shows that they have the confidence of the people, and also a certain amount of knowledge.

132. You are aware that these men are appointed principally to look after the roads of the district, which is a different thing from looking after the lands of the district?—Some of the men filling these positions are much more capable than some of the men on the Land Board.

133. Do you think that in a large district like Auckland the number of members of the Board should be increased?—Not necessarily if they are elected.

134. But there are only four members on the Board now, how are you going to divide them into three sections?—You are not bound to have four.

135. How many counties are there in the Auckland province?—I am not in a position to say. I merely suggested the constitution. I have not worked it out. What I do say is that the present system is faulty.

136. Well there are twenty or thirty different counties, and those men under present circumstances would elect one member. How could you find a representative man who would be known to all the County Chairmen in the province?—Very much the same thing is done with the Education Board. The School Committees elect the members of the Board.

137. Should the number of members of the Land Board be increased?—Yes, I think so.

138. Do you not think that it would be more reasonable that the different localities and interests should be represented on the Board apart from the question of election?—Well, as I say, I have not worked out a system. I have suggested a system because I consider the present method of appointment unsatisfactory.

139. *Mr. McLennan.*] You said the restrictions upon settlers are very detrimental to land settlement. What were the detrimental restrictions?—I said that if put in force the restrictions are more stringent than the restrictions imposed at Home.

140. You said that the demand for rent was made in a very arbitrary form?—In the one case I mentioned it was.

141. Do you consider this an arbitrary demand for rent: *Re Arrears of Rent.*—Referring to my previous notices sent you for non-payment of rent, amounting to £ : : being half-yearly payments, I have to state that at present I do not intend to bring the matter before the Land Board, but I should be glad to know what proposals you have to make, say, within one month from this date; and also a statement as to your circumstances, as I am most anxious to meet you in any way that is reasonable; also, if you cannot pay the whole amount perhaps you could arrange to pay at least a portion of it. If, however, the rents remain unpaid, of course I shall be reluctantly compelled to take further steps for the recovery of same, although I trust that this course will not be necessary in your case?—What I referred to was the case of the twofold rent. It was a different letter from that. The Commissioner stated that he was a collector of rents and not concerned with the merits of the system.

142. How long ago was that?—I think it was to be paid on the 30th June, this year.

143. *Mr. Matheson.*] Do you consider that if the right of purchase was given to the land-for-settlements tenants the State would benefit?—Yes; the settlers would work with more dash because they would have more heart. They would also be better able to pay taxes, and that is their real value to the State.

144. Do you know that when an estate is taken for settlement the average rent is fixed by law according to the amount paid for the property?—Yes.

145. And that at Matamata the rents ranged from 3d. an acre to 5s. ? Do you recognise that in Matamata an endeavour was made by the Crown to adjust the rents according to the quality of the land?—Yes, but it failed. There are some sections in Matamata valued at 8s. an acre, and yet there are better sections valued at 4s. 6d. and less.

ARTHUR FURZE examined.

146. *The Chairman.*] What are you?—I have been a settler in this district for twenty years. I own 300 acres of land at Matangi.

147. Is there any particular matter you wish to bring before the Commission?—I wish to speak in reference to the Fencourt Settlement. I knew Fencourt when it belonged to the old Agricultural Company. I knew it when it was cleared, and also when it was cut up for settlement, and I know it now. I live within a mile of it. The settlers there are a good class of settler, and I am perfectly certain that if they had a chance of buying their property eventually they would do a great deal more with the farms than they are doing now. But they have always the fear of their valuations being increased, and if the values continue to increase at the present rate they fear that a time may come when the Government may bring in a Bill enabling a revaluation of their land. That is why they are not improving the property as they could do.

148. These tenants hold under lease in perpetuity?—Yes.

149. Their tenure is fixed unalterably for nine hundred and ninety-nine years?—But still in the event of the Government buying more properties and leasing them they could perpetuate the same kind of trouble. Such settlers do not keep their holdings up to the same standard as freeholders.

150. You advocate freehold tenants?—I advocate in the future giving tenants a chance of buying the freehold at some time or other. If they had a chance of buying the property in course of time, and then an increased value were put upon them, they could provide against the increase by mortgaging the properties.

151. They hold an absolute title for 999 years?—They hold an absolute title till something happens, and you never know what may happen. I have seen some peculiar things done in New Zealand.

152. But you could tax the freehold in the same way?—Yes.

153. *Mr. Forbes.*] Do you think that the Fencourt settlers are improving the place?—They are improving it, but I am perfectly certain that they would improve faster and in a more perfect manner if they had the prospects of getting the freehold at some time or other.

154. Do you think they have a certain amount of apprehension about revaluation?—I know they do.

155. Do you think that is the reason they wish to have the option of purchasing?—I cannot say that they particularly wish for it. I suppose some of them will appear before the Commission. Down my way we have seven or eight Crown tenants, and I know they would like the freehold.

156. Do they make complaint as to the way they are treated?—I have never heard any one of them complain.

157. But in conversation with you they have expressed the wish?—I have heard five of them say that they would like to buy the freehold, but they have never expressed any particular wish on the question.

158. What are the local rates charged upon Fencourt?—Last year there was a penny rate for roading purposes, and a farthing for the county, all on the capital value, and these capital values are going up. It is when the values go up that the settlers are frightened.

159. Is it the unimproved value that has risen?—Both the unimproved value and the valuation for improvements has risen.

160. Do you think that has anything to do with the wish for the freehold?—Most decidedly it has. The shifting of the values is creating a fright amongst these men.

161. If the value was going down do you think they would have the same anxiety?—Decidedly they would not.

162. *Mr. McCardle.*] Do you think it is desirable to increase the number of members of the Land Board so that the outlying districts may have representation?—It would certainly lead to better knowledge of locality.

163. Do you not think it is necessary that the members of the Board should be possessed of a knowledge of the district—that is pretty general?—Certainly.

164. You say that these settlers are afraid of the raising of the values; do you not think that they are also afraid of the latest pronouncements made by the labour party in conference at Wellington? They are proposing that after the death of a leaseholder, his property shall be taken and revalued, allowance to be made for improvements, and that an increased rental be put upon the land for his widow to pay?—Does not that all tend to what I say, that if the settlers were in a position to acquire the land at some time or other, say twenty-five or thirty years hence, they would be more ready to put on the improvements.

165. There is another feature of it, where they say that suppose you were the holder of a lease from the Crown, and you desired to sell your interest to some one else, it should be then revalued and an extra rent put upon the purchaser. Is that equitable and just?—That would restrain a man from improving the value of his property.

166. *Mr. McLennan.*] How long have the Fencourt settlers been on their land?—Four or five years.

167. Do you think they have put as much improvement on the land in that period as the man who had a freehold four or five years?—No, they have not—not on the land. Putting a house upon the place is not an improvement on the place at all. What I call improvements is clearing away rushes, ploughing, fencing, and putting water on the land.

168. What has prevented them putting improvements on the land?—The fact that they are frightened that some day or other the law will be altered and their improvements will be swept away by means of increases in the rent.

169. If they do not like to pay the increased rent, they can go out and take the full value of the improvements? Supposing I have a place of 300 acres, 100 cleared and the other 200 in raupo, rushes, and tea-tree. Would there be any chance if I held it on leasehold of that 200 acres being put in a high state of cultivation?—Many people who have the freehold do not put their land in a high state of cultivation. You will never get a leaseholder to put his property in a high state of cultivation under present circumstances. The Liberal and Labour Federation are working to frighten the man who holds the leasehold.

170. But even if he loses the land he gets the full valuation of improvements?—Ah, but he would not.

171. How many people on the average apply for each section?—I have no idea.

172. How many applied per section for Fencourt?—On an average about ten for every section.

173. If the present proprietor is entitled to the freehold of his section, what about the nine unsuccessful applicants? If the law is to be altered the section ought to go up to auction and the nine unsuccessful applicants have the same opportunity of getting the land as the one who bought it and now wants the agreement broken?—But what I said was within the future all these lease-in-perpetuity sections should be knocked on the head and the other applicants given a chance.

174. Your idea is to allow the option in future leases. You do not wish to break the present agreement?—I do not see how you can. But the Government can do the same thing in another way by taxation.

175. *Mr. Matheson.*] Do you consider that the Crown would be wise in giving the right of purchase to the lease-in-perpetuity settlers?—They have made a contract and should stick to it.

176. Suppose the State sees that it would benefit the country to give them right of purchase, and the tenant is anxious for the right of purchase, do you think the lease might be amended so as to give it to them?—If the State thought it right and the tenant was in a position to pay, then it is simply a question of a bargain between the State and its tenants.

177. Do you think the lease might be amended?—Yes, I do.

178. As a citizen, do you think the State would be wise in giving that right?—I think it would be.

WALTER CHITTY examined.

179. *The Chairman.*] What are you?—I am chairman of the Farmers' Club in this district, and as such I have been asked to attend before the Commission. I have been farming in this locality for thirty years. I represent the Farmers' Club, which is a branch of the Farmers' Union. My own property is about 1,000 acres freehold. Nearly all the settlers in this district are freeholders, but there are a few leaseholders towards Ngaruawahia.

180. Have you any matter to bring before the Commission?—The question of tenure has been before all the branches of the Farmers' Clubs about this district, and they are unanimous in asking that all leaseholders shall have the opportunity of acquiring the freehold. There is a diversity of opinion amongst the farmers as to revaluation. My own opinion, and I know it is shared by a great many others, is that if after a time the present tenants wish to purchase their holdings and a fresh valuation were called for, no injustice would be done either to them or to the country at large. Nor do I think it would bear hardly upon the tenant. Those persons who have fully improved their property would have no—what might be called—unearned increment. Their improvements would quite compensate for the fresh valuation. The person whom it would touch would be others who have done as little as they possibly can, and those who took up land for speculative purposes.

181. *Mr. Forbes.*] How many members are there in your club?—In the Hamilton branch there are about fifty, but through the district at large there are about four hundred.

182. I suppose that nearly all your members are freeholders?—Yes.

183. Has this demand for the option arisen from the Crown tenants?—Very much. As chairman of the local branch I have received requests from Crown tenants up country that we should assist them as much as possible.

184. Has any matter in connection with the constitution of the Land Board been before the union?—There are so few members on the Boards now that it would be almost impossible for the different districts to be represented unless the numerical strength of the Board were increased.

185. Has any dissatisfaction been expressed by the tenants with regard to the Land Board?—Not to my knowledge.

186. *Mr. McCardle.*] Is the Farmers' Club affiliated to the Farmers' Union?—Yes.

187. The membership of the club is not in any way based on politics?—No, it is not a political body at all. We have members representing all sides in politics. We just discuss the interests of farmers.

188. The Matamata and Fencourt Estates were fairly improved when taken over by the Government?—Yes.

189. Are they being kept up to the same conditions of high cultivation?—There is a great deal of Matamata which I consider was hardly suitable for the purpose.

190. It is land that is likely to go back?—Yes; I am afraid that many of the farmers there will not be able to hold their own.

191. You think that if the Government consider the question of granting the freehold to the tenants the land should be revalued?—Yes.

192. *Mr. McLennan.*] Why is it desirable to revalue the holdings if the tenants are allowed to acquire the freehold?—There would be great dissatisfaction throughout the country if it were not so.

193. Would it not be far better to conserve the full valuation for improvements and put the allotments up to auction so as to enable those who took part in the original ballot to come up again?—Certainly not. To the man who is on the land it means his home, and he has a certain attachment to it which a stranger could not have.

194. It may not be a stranger at all. Why should not those who were unsuccessful at the ballot have the same privilege as the holder so long as his improvements are conserved to him?—Put the land up to auction in the first instance. I do not hold with the present system at all.

195. Are there any of the settlers transferring their interest now?—I expect so. There have been in the past. Very few are taking up leases in this district. They are nearly all freeholders.

196. Have you had any experience in the South Island?—None whatever.

197. Does it seem reasonable to you that in granting the right of purchase to the lease-in-perpetuity tenants the Crown should make a profit out of it?—I do not think the Crown will make a profit out of the good settlers, but they will out of those who have been slothful.

198. Has there been an advance in land values in the last four years?—Yes.

199. Do you say that the Government will make no profit out of the lease-in-perpetuity settlers if they are given the right to acquire the freehold, if the land has gone up in value, say, £2 an acre?—I think in the case of the good settlers, their improvements would cover that.

200. You do not appear to comprehend my question. When a man goes on to land to value improvements, do you not think there are some improvements which are not visible to him?—A practical farmer going over the land would soon see what had been done.

201. Could a farmer see what improvements had been done to a piece of originally swamp land or lagoon that had been made similar to the adjoining land?—Yes, he could see by the drains and the lay of the country what had been done.

202. Suppose the settlers in a district had put up a butter-factory which would immediately increase the value of their land, do you think that would be regarded by a Government valuer as an improvement?—I do not suppose it would, but the settlers would have the benefit of the factory while it was running.

203. And you think that when revaluation takes place before giving the right to purchase, the State should have the benefit of that increased value?—I do not think there would be anything wrong in that.

204. Do you consider on farm lands generally there is any increment that has not been well earned?—No, the unearned increment only comes in the case of those who do not improve their land, and it is in those cases that the Government should have the right to take the increased value.

205. You have spoken about the increased value of land. You will, I suppose, remember a period when the lands in this locality receded in value?—Yes.

206. As regards Land Boards, how, in your opinion, would it answer if each county were to nominate one individual, and the Government out of those so nominated, were to appoint the Board?—I think that would be equitable.

207. *Mr. McCardle.*] What would you do in the case of a locality, such as Kawhia, where there is no county, and where there are thousands of settlers who should be represented?—You should form yourselves into a county, and then we should be able to get at you for rates.

JOHN FRENCH GOODWIN examined.

208. *The Chairman.*] What are you?—I am a farmer. I was born in the South Island, on a freehold property. My father owned a freehold farm in the Waikato. At present I hold 147 acres at Fencourt, on the lease-in-perpetuity tenure. This I have held for about five years, and with the consent of the Land Board I have sublet it for five years. I also hold 370 acres under occupation-with-right-of-purchase tenure at Maramarua.

209. Are you in occupation?—I have only had it for six weeks.

210. Is there anything you wish to bring before the Commission?—I think all lessees present and future should have the right to purchase. I consider the lease in perpetuity unsatisfactory, in the first place because if the land goes up in value we do not get the benefit of that, and if the right to purchase was given, it would give us more encouragement to put in better improvements, and there would be a better class of settlers induced to go on the land. I know lots of good settlers who would take up land at places like Matamata, Bickerstaffe, and Fencourt, but they are too wide awake to take up land without the right of purchase. For my own part, I would have applied for a section at Karipero, but there was not right of purchase. Then in the case of the lease in perpetuity, I consider revaluation would be absolutely cruel, because there are improvements a man puts in to his land in the way of heavy manuring, draining, and so on, that he would never get the value of in the way of improvements. And there are many other improvements, such as clearing the land of stones and stumping, which would not be visible to a valuer. I would like to say that, if the freehold is granted, I think the Government should restrict the area that could be held by any one man. As to Land Boards, I think one-half of the members should be elected by the ratepayers, and the other half should be appointed by the Government. Then, with regard to the labour unions, I do not think they should have any say in our work, and under what system of tenure we should hold our lands. We do not interfere in their business at all.

211. You do not think it right that they should advocate the confiscation of other people's property?—I do not think so. I believe thoroughly in the present ballot system, and I think it would be a grand thing if the option of purchase were given in every case, because every one would then have an equal chance. Why do not the labour unions take up a piece of land as we do and cultivate it? It is too much like hard work, and there is too much mud about for them.

212. You think they prefer that you should improve the land, and that they should then come in and share it with you?—Yes. I know this district from Raglan to Gisborne, and I do not know one farmer who says that the lease is a good thing.

213. *Mr. Forbes.*] Do you mean to say that none of the settlers at Fencourt under the lease in perpetuity are good farmers?—But there is only one man at Fencourt who holds that the 999 years lease is the proper thing, and he has not cultivated a foot of his land for five years. He is now asking from £8 to £16 an acre for the goodwill. He holds the pick of the land, and has just been grazing it for five years.

214. You say under the lease in perpetuity you cannot sell and get the benefit of an increase in value?—You could not sell it as you could if you had the occupation with right of purchase.

215. Do you know anything about land in the South Island under the Land for Settlements Act?—A number of my schoolmates in Kaikoura and Marlborough have got those Government sections, but in the south you have only to prick the surface and stir it about a bit and it will grow anything. Here you have to spend the best years of your life before it is any good.

216. On this land at Fencourt can you grow crops?—Yes, but at first it was all tall fescue and weeds, and we had to work those weeds out. For a long time I could not get my seed to root, and the birds took it. Even yet, I have not been able to get a payable crop.

217. What rent do you pay?—4s. 3d.

218. Is that a fair price?—It was more than it was worth at the time.

219. Is it worth that now?—I have sublet at 10s., but I have put some money and work into it.

220. You object to the labour unions having a voice in the farming of land. Do you not think the Crown lands of the colony belong to the people of the colony as a whole?—That may be, but I do not think they should have a voice in framing the land laws.

221. You are aware that the labour laws are framed by representatives of both town and country, and the country people have a say in the laws affecting shops and shop-assistants?—Yes, but I do not think the country people should have a say in regard to the Shop Acts. It does not apply to them.

222. *Mr. McCardle.*] Is it not a fact that all the land reformers come from the cities?—I do not know. I know very little about the cities.

223. But you have complained about their interference?—I read in the newspapers what the labour unions are doing.

224. You would advocate that before a man dealt with the Crown lands he should go into the back country and work in the bush for about ten years?—Yes; then I would give him as much say as he liked.

225. How are the settlers at Fencourt getting on?—Fairly well. They have a creamery at Hautapu, and another in the middle of Fencourt.

226. Have you had any experience of the Advances to Settlers Department?—Well, I got the forms to fill in for a loan on Saturday night. I thought at first I could get £200, but I do not now think I can get it because my section is not in grass, though I have spent a considerable sum in draining, fencing, and building.

227. Has the Land Board treated you fairly well?—I do not think so. But we have a good man on it now, and he takes more interest in it. There was one thing I had to complain about. My neighbour below me would not clean out his drain. I complained first to the Ranger and then to the Commissioner, who advised me to form a Drainage Board; but as there were only two sections affected, it was not worth while doing that.

228. Is it not possible that the Land Board have nothing to do with your neighbour's drain?—Well, the conditions say that the lessee shall clean out his drain once a year, and I think the Land Board should make him fulfil that.

229. Did not the Land Board treat you fairly well in allowing you to sublet your section?—When I had been living on it for five years, I think it was only right that they should allow me to sublet.

230. *Mr. McLennan.*] If you had the right of purchase you think you could get a considerable sum for your goodwill?—Yes.

231. Is that the reason why you are in favour of the right to purchase—because you want to sell your place again?—I do not say I want to sell, only I think if I did sell, I should have the benefit of the increased value.

232. Do you think that the increased value is entirely due to your own labour?—Yes.

233. *Mr. Matheson.*] Do you think it is greatly to the interest of the city workers to see the farmers prosper?—Yes.

234. Are they not then wise to try and have the land laws altered, if by so doing they can make farmers more prosperous?—So far as I can see, the city workers appear to think it a good thing if the land paid all the taxes, and they got off scot-free.

235. Is it not clear to you that if the land paid all the taxes no one in New Zealand would want to occupy land?—Yes, but that seems to be the trend of the city feeling.

236. *Mr. Hall.*] Do you think the chief reason why the people want the right to the freehold is that their property will be more saleable?—No, that is only one reason. The other reason is that if we happen to have a bit of good luck and get a good season, and make a little bit of money, we think we should have the right to pay off some of our debt to the Government. That is our principal reason.

237. You think that the tenants ought to be allowed from time to time to pay off a part of the capital value, so as to lessen their rent and get restrictions removed?—Yes; all but three of us at the settlement hope to die on freehold land.

238. How many of you are there?—Thirty-four.

EDMUND CLIFTON examined.

239. *The Chairman.*] You represent the Stock Department in the Auckland Province?—Yes, and I am controlling the agricultural operations of the Department.

240. *Mr. Forbes.*] The Wairangi vineyards are under the control of your Department?—Yes.

241. Has the working of this poor land there for such a purpose been a success?—It promises to be successful from the growth of things and from the results so far. It is early yet to speak of profits.

242. But has it been a success so far as grassing is concerned?—Very little attempt has been made to grass any great portion of Wairangi. The principal purpose is to develop a fruit settlement, and the grassing there has been simply for the use of the stock on the place.

243. In laying it down attention has been paid to the fact that it is very poor land, and the grass that has been successful there has been most undoubtedly danthonia.

244. You have not experimented very largely with grasses there?—Altogether, there have been some 25 acres laid down in grass.

245. Has it been proved that this poor land can be grassed satisfactorily?—This has been proved that that poor land will remain in danthonia and carry a very useful sward of grass of that description. At the same time, another part was laid down with several varieties of ordinary English grasses, and on that particular part, although it was well treated, no grass remained there but danthonia and some Chewings' fescue. That is to say, the ryegrass, cocksfoot, and clovers had practically disappeared in a very short time.

246. There is round about Auckland, up at Wade, for example, a great quantity of land similar to that at Wairangi. Could you suggest any way in which that land might be utilised and brought into production?—I am very much interested in it, as I had under my control some land further north—part of the Bickerstaffe Estate—which is under the Agricultural Department. What I did there to bring it into some use was to cut the tea-tree, burn it, and sow the ground cheaply with danthonia. At the same time, in order to show comparative results, I sowed some of the land with the ordinary mixture of grasses, but it is too early to speak of the results yet.

247. It has been represented to us, that this *Paspalum dilatatum* is a grass of very great value on this poor land?—There is every promise that paspalum will be very useful. I have seen several paddocks laid down in the north last spring which are already promising well. At Wairangi also this last summer this grass has been laid down, but it is difficult to say yet more than that it promises well. At the nursery a few odd plants have been grown, and they have done marvellously. My experience at Wairangi has been that all the exotic grasses we have put in have disappeared.

248. Have you proved yet that this land can be profitably used for vine-growing or is that still in the experimental stage?—That part of Wairangi is under the charge of Mr. Bragato, and I think it would be only fair that he should be asked about that. At the same time, I may say that the grapes grow exceedingly well, and in most seasons they ripen well, and the product seems to be appreciated generally.

249. What about fruit?—Apples and pears grow exceedingly well. Peaches promise well, but it is rather early to say they are a success. The object in dealing with a part of Wairangi was to establish a community of fruit-growers. It was started some years ago by the Forestry Department, when wattles and gums were planted. Then it languished for a time, and then the Agricultural Department began experimenting with these fruit-trees. This poor land was of practically no use to any one, and the people who held it for some thirty-five years before sold it to the Government for 12s. an acre. The idea is now that on the 1,200 acres purchased to plough and cultivate and plant it, and bring it up to a point when the fruit-trees will be bearing a crop, then to lease it or sell it in small fruit-farms so as to get a community of fruit-farmers, who would chiefly deal with export and canning. There is no intention of growing there anything to come in contact with the fresh-fruit market. The object is to bring fruit-growing up to conditions somewhat similar to what the dairy industry is to-day.

250. Do these fruit-trees grow on this class of ground without any great manuring?—The orchards have practically had no manuring at all. When the trees were first planted a little bonedust and

phosphates were scattered, but there has been no further manuring. This year in the old orchard, where we grew a crop of clover for protective purposes, some phosphate manure was put in.

251. *Mr. McCardle.*] You have had a wide general experience of the whole of this district?—Yes, some fourteen years.

252. How do clovers do at Wairangi?—Just fairly.

253. I have not seen much of the ground in its natural state; was it principally light fern?—There was tea-tree on the whole of it, plus rushes on the damper parts.

254. Where there are rushes you require to drain before you make use of the land?—I have done a good deal of draining.

255. There are a good many of the Northern lands covered with rush and manuka in places, and it struck me if that country was properly drained and worked it could be made fairly useful?—I quite agree with you. I should be inclined to experiment.

256. Some people think it ought to be left to private enterprise, but the great thing is to get the Government to undertake any experiment of the kind, because they can keep correct records as to cost and so on, and they can advertise the thing so that the general public would become acquainted with it?—That is the idea we have been working upon here. At Wairangi, for instance, you saw the vineyard to-day, but at present we are only feeling our way. That has cost us a great deal more than what I could do it for if I started another now.

257. Can you give us any idea of what that splendid work is costing?—It is difficult to say, because for a long time the work has gone on tentatively. I estimate that the planting we are doing now in those orchards will come to something between £15 and £20 an acre.

258. Do you use the drain-plough at all?—Not here; I have elsewhere.

259. Judging from the statements we have had to-day it seems likely that this venture will prove profitable?—I think there is every promise that the development of these small fruit farms can be worked at such a price that it will be definitely profitable.

Mr. McCardle: I think I may say on behalf of the Commissioners that they have expressed generally great appreciation of the excellent work done out there, and they feel confident that the thing is going to be a great success.

260. *Mr. McLennan.*] Do you apply sand to the soil?—Merely for the nursery plants. Sand has a very useful effect, but it is too expensive to get it there. The sand I can get is too much mixed with earth, so that each load I get only about half of it sand.

261. *Mr. Matheson.*] With regard to your estimate of £15 to £20 an acre for planting, is that an estimate of the cost up to the time when the fruit-trees begin to bear?—Yes.

262. Do you know that beautifully-lying land south of Mangonui, towards a place called Taratara?—I know the north generally.

263. There are thousands of acres quite ploughable so far as levels go?—I cannot say I know it intimately.

264. It seems to me that with your wide knowledge your opinion upon land-tenures would be of great value?—No matter what they may be, as a Government officer I should prefer very much not to make any remarks on the tenure of the land. I should prefer to confine myself to its use.

265. It seems to me a very serious thing for New Zealand if men of your calibre disfranchise themselves simply because they are Government officers?—Much as I may regret it I think it is only right to do so.

266. Is it not clear to you that as time goes on we shall be getting gradually a very much larger proportion of Government officers, and as a consequence our best men will be disfranchised?—The greater the pity.

267. You prefer not to give any information on land-tenure?—That is so.

268. *Mr. McCardle.*] You have very little in the way of noxious weeds about here with the exception of bramble?—I think we have the finest collection of that in New Zealand.

269. Do you think some steps should be taken to minimise the risk that settlers run in getting seed from other places?—I think that every precaution possible should be taken to ensure that the seed is pure, and to prevent the weeds being disseminated.

270. Do you not think that the only thing to stop the spread of weeds to other districts would be to make inspection compulsory before the grain is ripe?—That applies to most seeds undoubtedly, but it would embargo a great deal of country. The great thing is to get seed from a pure crop.

271. *Mr. Hall.*] Have your expectations with regard to Wairangi being realised?—Yes, considering the nature of the ground.

272. Are the people who visit that place surprised to see the land utilised as it is?—Yes; they usually express surprise.

273. Do you consider paspalum a good winter grass?—Speaking generally, I should think so, though I think it is a grass not likely to succeed in a cold frosty district.

274. How long is it since danthonia was first sown at Bickerstaffe?—Well a great deal of it was self-sown, and it was only last fall that we sowed any.

275. You cannot say whether it stands burning?—Yes, it stands it remarkably well.

Mr. Hall: The members of the Commission have been very pleased to see such results as we have been shown on the experimental farm at Wairangi, and we consider the work that has been done will be of great value to the country. I have to congratulate you and the other officers upon your success.

Witness: I have to thank you, sir, for your remarks.

JOHN BEARD THOMPSON examined.

276. *The Chairman.*] What are you?—I am Assistant Surveyor for the Lands Department, Auckland. I have been in this locality for four years.

277. *Mr. Forbes.*] You know something about the Matamata Estate?—I cut it up last year.

278. We have heard a complaint that settlers are called upon to make two payments. Can you explain that?—So far as the two payments are concerned, there was one portion of the estate taken over in June, and the remaining portion was taken over in October. In the pamphlet issued is was expressly stated that certain land would be given possession of in October, and when the valuations were being made that was taken into account, so that any one who paid rent in June knew that they would not get possession until October. I do not think the settlers are under any disabilities in that respect.

279. You think it was allowed for in the valuation of their places?—Yes, I think so.

280. How are the settlers at Matamata getting on. Are any of the sections changing hands?—None.

281. Are the settlers farming the land?—Yes. Of course, being only twelve months in occupation you cannot expect very great results. Three months after the land was allotted they put up a creamery costing £900, and they have called for tenders for two more creameries, and have guaranteed two thousand cows for the coming season.

282. Do you know anything about the valuation of that place?—It was made by probably two of the most expert valuers in the district. One of them was managing the property previous to the Government acquiring it, and the other Mr. Garrett.

282A. They valued the whole estate, and it was on their valuation the rents were based?—Yes.

283. Have you had much to do with the place since the settlers have been there?—Yes.

284. Is there any general complaint about high valuations?—No; I think it has generally been admitted that it is the cheapest land offered in the Waikato.

285. Do you think the place is cut up into reasonable-sized farms so that the farmers can make a decent living?—Yes; they range in area from 150 to 2,000 acres, the average size would be about 400 acres. A large amount of the place was in grass.

286. Would it carry on an average a sheep to the acre?—I believe the property at one time carried about two and a half sheep to the acre, with turnips. There was something like 18,000 acres in grass.

287. Is there any rough country, or rather unimproved country, under scrub capable of being improved?—Yes, a large portion of it is ploughable.

288. Do you think the settlement as a whole has been successful?—I think everything points to its success; but as it has only been settled twelve months I cannot say for certain.

289. *Mr. McCardle.*] What extent of country was covered with Canadian thistle?—800 acres altogether. Of course it was very patchy. In some places you might see plants 3 or 4 chains apart.

290. I suppose there is little hope of eradicating it?—I think there is some hope.

291. Has it not in Raglan been spreading all the time?—I believe so.

292. Does it not weaken in the centre as a rule and strengthen at the borders, and extend very rapidly every year?—So they say.

293. *Mr. McLennan.*] Is there much Crown land left in this district fit for settlement?—In my district there is very little Crown lands left. There is one block at the back of Huntly, consisting of 17,000 acres, but the quality of the land is poor.

294. Is there any demand for Crown land in this district?—Yes; of any quality.

295. If there were any Crown lands ready for settlement here do you think it would be taken up under lease in perpetuity?—I am certain of it.

296. *Mr. Matheson.*] Can you give me an idea of the average rent of the sections that were not taken possession of until October?—Some of the sections were only 10 acres in area, and the price was therefore exceptional. The others ranged from about 2s. 6d. to 4s. 6d. per acre.

297. Do you mean that the upset price was lessened because of that inability to take possession?—That was practically our opinion of the matter.

298. Does it not seem to you that those people who got their rent lowered for one thousand years because they could not take possession in the first four months were very lucky?—Certainly.

299. *The Chairman.*] I understand Matamata Estate was acquired by the Government through the Arbitration Court, and that the Government did not pay more than they could help?—That is so.

300. And the value they put on the estate was only enough to recoup them and to safeguard them against loss?—That is all.

301. They did not fix the price to make a profit?—No.

302. Are the tenants on Matamata Estate fairly satisfied?—I have not heard one word of dissatisfaction. They are all fairly well pleased.

JAMES MACKENZIE further examined.

303. *The Chairman.*] What is it you wish to place before the Commission?—I wish to explain the position in regard to the double rents charged on the Matamata Estate. In the pamphlets it was made perfectly clear that any one taking up a section would have to pay rent from the 1st July, although they would not get possession until the 1st October. Another point I want to make perfectly clear is this: As you are probably aware, rents only begin on the 1st July and the 1st January. Well, Matamata Estate was offered for selection in the first week of June. A good deal of it was not taken up at the first ballot, and this extra charge only applied in the case of those who took up land in the month of June. The rent of any person who took up land on the 2nd July did not begin until the 1st January following.

304. *Mr. Forbes.*] Would you say an allowance was made in the valuation?—I only came into office then, and I had nothing to do with the valuations. I was advised exactly as Mr. Thompson told you, that it was taken into consideration.

TE AWAMUTU, TUESDAY, 30TH MAY, 1905.

HUGH IRVINE examined.

1. *The Chairman*] What are you?—I am a settler. I have 100 acres of freehold here, and I have an interest in a block of between 7,000 and 8,000 acres of freehold in the King-country.

2. Is there any particular matter you wish to bring before the Commission?—I may say that I have had considerable experience with land-tenures in the colony. I have been farming for over forty years, and I have held land under all the tenures with the exception of lease in perpetuity. I am entirely in favour of the freehold, and I consider that the very best tenure for the settlement of the land was the deferred-payment system. In Taranaki, where I came from, the bulk of the bush land was settled under that tenure and the settlement was very successful. We had then, too, the perpetual lease with the right of purchase, and that was a very good tenure, but not so good, in my opinion, as the deferred-payment system. I do not think the lease in perpetuity is so good. In my experience, when a settler takes up a lease in perpetuity with a moderate capital he has very considerable difficulty in borrowing further capital to carry out the necessary improvements. In fact, he can do so until the improvements are made, and then, of course, he does not want to borrow.

3. *Mr. McCardle*.] You have been a settler years in the bush country?—I have brought in a great amount of bush land in my time.

4. And you have been living surrounded by bush settlers, and have had experience of their troubles and difficulties?—Just so.

5. And to the poor settler borrowing is almost a necessity, is it not?—If a man with moderate means has to carry out certain improvements it is almost a necessity.

6. The price of land is a bagatelle compared with the amount of improvements a man requires to put on his land?—Most decidedly. If a man takes up land at the upset of £1 per acre it will take at least £3 per acre before he can get any return.

7. In advocating the freehold you are not doing so in your own interests, because you already have it?—Just so.

8. You are advocating it in the interests, as you believe, of the settlers and country: you believe that tenure the one most adapted for bush country?—Most decidedly. If a man has land with a right of purchase he will not grudge his time late and early in clearing that land and beautifying his surroundings, whereas if it is under leasehold he will practically take very little interest in sentimental improvements.

9. I suppose you are aware that quite a number of people think there is a large unearned increment in these back blocks, and that the settlers who are on leasehold should not be allowed to get the freehold because that unearned increment would be lost to the State: have you ever found any unearned increment in bush country?—My experience in regard to unearned increment is that it does not exist in the country at all; it is more in the towns. If the whole of a man's time and labour were calculated at the ordinary rate of wages there would be very little unearned increment, if any, in bush land.

10. I suppose you know that quite a number of people who took up land in the King-country had no option but to take it up under lease in perpetuity?—So far as my knowledge goes the present Act allows land to be taken up under the optional system, but the optional system was debarred in the case of a lot of the land here and was under lease in perpetuity.

11. In these cases, if there is an amendment of the Act, do you think that these settlers should be granted the privilege of converting, if they think fit, into freehold?—Most decidedly.

12. You are aware that under a lease with the right of purchase a settler pays 5 per cent. and under lease in perpetuity he pays 4 per cent.: if the option of purchase is granted would you reinstate that 5 per cent.?—Undoubtedly. I think the lease-in-perpetuity tenants should then be put on the same footing as the settler paying 5 per cent.

13. You are aware that a large amount of land has been settled in the South Island under the Land for Settlements Act, and the circumstances of the settlers on improved estates are very different from those of the bush settlers: do you think in their case it would be wise for the State to grant the freehold?—I am not prepared to give an opinion in that respect, but I think that it would be a general benefit to the country to allow all settlers in the colony the right of the freehold.

14. The Auckland Land District is a very large one and there is only the same number of members on the Land Board as there is in very much smaller districts: do you not think that it would be in the interest of settlements if the number of members was increased from four, say to seven, and the various districts were represented on the Board by men having a practical experience of the difficulties of the settlers and some knowledge of the land on which they are settled?—I certainly consider that there ought to be an alteration in the constitution of the Land Board altogether, because as at present constituted the members probably know nothing at all about the requirements of bush settlers. There certainly should be a certain number of members with some practical knowledge of the settlement of bush lands especially.

15. In regard to the question of roads, you are aware that roads have been constructed up to the present from various sources: do you think that the time has arrived when it is desirable that the local body should have an assured finance—especially in new districts like this—in the shape of a subsidy of £2 for every £1 collected in rates?—I should like to see that very much, but I am afraid my opinion in the matter is not worth much. There is one thing I think would be very desirable. Where land is loaded with an amount for roads I think that amount should be handed to the local authority in the district to be spent. In my own knowledge I have known land to be taken up loaded with a certain amount for roading, and for years afterwards the settlers did not even have a pack-track, although they were actually paying interest on this money all the time.

16. You have some knowledge no doubt of the operations of the Advances to Settlers Act?—Yes.

17. Do you think that the Act is working satisfactorily or is there need for amendment in its

administration?—I think it is a very good Act and that it has done a great deal of good, but I think it requires some alteration. Applicants seem to have some difficulty in getting advances and I think it is a hardship that a man should have to lose the amount that he has to deposit when applying for an advance in the event of the application being declined. Another thing I would like to remark is that I think the ballot system is an utter failure as a means of selecting land. We see when land is balloted for that there are a very large number of applicants—in some cases as many as two hundred applicants for one section—and the great bulk of these applications come from people who do not want land at all or to settle on it. They see that the land is worth more than the upset price and they go in for the sections as a speculation, and the people who really want the land do not get it in most cases. My opinion is that the best system of dealing with land is the auction system. Under the auction system the people who want the land will get it; and when the land is knocked down I should say the purchaser should then have the opportunity to decide under what tenure he will take the land.

18. I suppose you are aware that that principle was tried and found to be wanting, and that quite a number of people at the heat of the moment in the auction-room gave a great deal more for the land than it was worth, and that the State had to create machinery to revalue the land and reduce the rents down in some cases to one-half?—That is the people's own fault. It is not the fault of the system.

19. *Mr. McLennan.*] You say that those who go to the ballot with a desire to settle on the land have no chance with those who try to get the land for speculative purposes?—They have one chance in fifty, in most cases.

20. Is it within your knowledge that people have taken up land for speculative purposes in this district?—Yes, in scores of cases.

21. And yet you advocate giving them the option of freehold now?—I say they should do away with that speculation by putting the land up to auction.

22. You said that scores of speculators went to the ballot and were successful, and now you want to grant these speculators the option of the freehold to enable them to sell out and speculate in the land?—These people have not settled at all. They took up the land but parted with it again.

23. Are you acquainted with the South Island?—I was through the South Island a long time ago.

24. Have you been there since the land was settled under the Land for Settlements Act?—No.

25. You are not able to tell us about the position or condition of these tenants?—No.

26. Can you tell us whether the tenants are demanding the option of the freehold?—By what I can read I think nineteen out of every twenty of the Crown tenants would like to get the freehold.

27. Can you tell us if 2 per cent. of the Crown tenants under the Land for Settlements Act in the South Island are demanding the freehold?—I am only stating what I read in the newspapers and not what is within my own knowledge.

28. If I were to tell you that not 2 per cent. were demanding the freehold what would you think?—I would doubt it very much.

29. There are about one thousand two hundred settlers in the South Island under lease in perpetuity, and I think not 2 per cent. of them are demanding the freehold?—Then, I think they must be very foolish people.

30. *Mr. Matheson.*] Are you a member of the County Council or Road Board?—Not at present.

31. Have you had any experience of raising loans under the Loans to Local Bodies Act?—I have.

32. Under these loans the capital is paid off in a certain number of years?—Yes.

33. Do you think it would be wise where the Government loan land for roading that the capital amount of the loaning should be paid off in a certain number of years, instead of carrying interest as at present for the one thousand years?—I have not considered that question.

34. Have you had much to do with Native land?—Yes, a great deal.

35. Do you think that the present machinery for dealing with Native land is satisfactory?—I do not.

36. Can you suggest any improvement?—What I would suggest would be free trade in Native land the same as in any other land, with a restriction as to the area that any particular person should be allowed to hold.

37. If free trade was given, do you think it would have to be through the Crown so that the capital might be invested, say in Government bonds at 3 per cent., to be held for the benefit of the Natives in the future?—Well it would be a great improvement on the present system if the Land Boards dealt with Native land simply as if it were Crown land, and offer it for lease or sale and give the Natives the proceeds.

38. Do you think if an Act was passed giving the Crown power to do this, that the Natives would be pleased?—I think the Natives would be glad to get any system.

39. Do you think they are dissatisfied with the present system?—Most decidedly.

40. *Mr. Forbes.*] Is there any demand for land for settlement about here?—A great demand.

41. Is there any Crown land around here suitable for cutting up?—Yes, nearly all the land is suitable for cutting up.

42. Is it still in the hands of the Crown?—In the hands of the Natives or the Crown. The Crown holds large blocks of land in the King-country which are lying idle at present. The land I am interested in is surrounded by several hundred thousand acres of unoccupied Crown and Native land.

43. Is there any agitation to have the land cut up and offered for selection?—They have been opening up blocks but the settlers have been under a great disadvantage through the roads having been entirely neglected, although roads were promised when the land was taken up.

44. Do you think it is necessary to put roads in before opening the land for selection?—I think it would be a splendid thing to make the roads first and load the land with the cost of the roading. There would be no difficulty in getting the people to take the land up. At the present time, to my knowledge, there are people miles in from civilisation and they cannot even get a pack-horse to their land.

45. What is your objection to the lease in perpetuity ; is it not long enough ?—It is a bit too long. I see where it is stated by Mr. Seddon and other Ministers that in giving the Crown tenants the right of the freehold, the State would be parting with about half a million of money. I fail to see it myself, because they have really parted with the lease for a thousand years, and the State will not get any unearned increment at all under a thousand years.

46. Is it not a good thing from the settlers' point of view ; there will be no increase for a thousand years and no need to expend his capital in the purchase of the land ?—It is a fetching tenure, but there seems to be a feeling on the part of Crown tenants that they have not got security under it. A Fair Rent Bill is being brought before Parliament on several occasions and they think it will be brought up again. If it is passed of course it will entirely do away with their tenure. They do not think the lease in perpetuity is as satisfactory or as secure a tenure as freehold.

47. If they got the option of the freehold are the people about here in a position to buy the land ?—I do not say they are, but they would like to have the right whenever they are in a position to do so. There is not much money made out of bush land for a great number of years, but the settlers would improve the land more and more and work harder if they had the right to acquire the freehold at a future time.

48. Is there not a danger that there might be an aggregation of estates again ?—I do not think so.

49. Is there any tendency in that direction around here now ?—The tendency is in the other direction. The people with large properties are cutting them up.

50. Would you say from your experience that a larger number of people are farming land about here now than there were ten years back ?—Most decidedly. Even within the last three or four years a number of estates have been cut up in this neighbourhood by the private owners.

JOHN MANDENO examined.

51. *The Chairman.*] What are you ?—I am a settler of forty years' experience. I only hold 60 acres of freehold at the present time.

52. Is there any matter you would like to bring before this meeting ?—I have very little to say, but my son is a settler on land in the King-country under occupation with right of purchase, and he feels it to be a drawback and a grievance that after having made sufficient and abundant improvements he is not able to acquire the freehold. He thinks it is a hardship that after having complied with all the conditions, he should have to wait for ten years before he can get his title to the land. Of course, as a settler and a freeholder myself, I feel very strongly upon the subject of freeholds. I do not think you need go far to find very sufficient evidence to prove the advantage of freehold over leasehold. If you want to compare leasehold with freehold you only have to go along the main street of the settlement. On the one side is leasehold and on the other freehold. On the one side the buildings are of the cheapest possible description, and on the other side there are good, substantial buildings which have cost a large sum of money.

53. What length of tenure do these leases carry that you refer to ?—The land belongs to the Church Mission, and I think the lease is for thirty-five years.

54. That does not bear any comparison with a tenure for a thousand years ?—No.

55. *Mr. McCardle.*] If the title to an occupation with right of purchase was granted in five years, what proportion of the improvements would you suggest should be made within that period ?—I do not think there is anything unreasonable in the improvements required under the present law, but I think when these improvements are made that should be sufficient.

56. In advocating the freehold do you advocate the granting of the freehold to Crown tenants who now hold land under lease in perpetuity ?—I think the freehold is better than leasehold under any circumstances, and that a man would work with more confidence and better heart if he knew he could make the land his own.

57. You are aware that there is a feeling in certain quarters to-day that if the freehold were granted the State would be done out of what is known as the unearned increment ?—I know there is such a feeling, but it seems to me the most absurd idea ever brought forward.

58. Is it not a fact that the freeholder is subject to a taxation that overtops all this under the land-tax ?—Yes.

59. You have expressed an opinion in favour of freedold from the Crown ; would you advocate the same principle to apply to the Church property you have mentioned here ?—It is a thing I have had advocated for many years—namely, that the Government should take that land and dispose of it in sections.

60. We have also a large number of endowments such as Corporation, educational, and hospital endowments ; do you think it would be in the interests of settlements if the State was to take over these endowments, giving value for them in the shape of debentures, and settle the land in the ordinary way ?—I would not say in all circumstances but only in special cases.

61. Do you not think that if it is a good thing for the State to part with the freehold, and a good thing for the settler, the same thing must apply to the land held in this way ?—I do not think the cases are altogether on the same footing. These endowments have been set apart for the maintenance of certain institutions, and it is quite right that they should be kept for that purpose.

62. I suppose you are aware that it is proposed in certain quarters that if a lease-in-perpetuity holder decides to sell out his interest, his section is to be revalued and the rent is to be raised in proportion to the unearned increment of the section, or that if a husband dies and leaves his lease-in-perpetuity property to his widow, that property is to be revalued and the rent is to be increased in proportion to the unearned increment ?—Yes, and I think it is an immoral proposal. Why should a bargain made with the State be different from a bargain made with a private individual.

63. *Mr. McLennan.*] Does it not seem to you that a lease-in-perpetuity tenant who demands a freehold is trying to break his bargain with the State?—Not exactly in the same way as in the other case, because the conditions are different. I think it is nothing but reasonable if we want the country settled that these people should be allowed to acquire the freehold.

64. The country is settled already, and the tenants were quite satisfied with the lease when they took it up and knew what they were doing, and now, when they find out they can do better by trucking in land, they want the freehold?—It is not with the object of trucking in land at all. It is the feeling of uncertainty that troubles the leaseholders.

65. Do you not think we should try to keep the bargain entered into between the State and the tenant sacred?—If you could give these people a guarantee of security to remove that feeling of uncertainty which has been growing up in the last few years, a good many of them would be quite satisfied with the lease in perpetuity.

66. Do you not think that 999 years are quite sufficient? There is plenty of guarantee in that tenure?—Yes, unless there is some alteration in the law which allows of revaluation.

67. Do you not think the demands of the tenants for the freehold tends to break the lease?—They merely wish to get the freehold in order to prevent this alteration in the lease.

68. Do you think they should get what they are not entitled to?—I do not know that they are entitled to it. It is a matter of policy whether it would be wise to give the freehold or not.

69. Do you think there is any likelihood of the present Government or any other Government breaking the lease?—I never would have thought so a few years ago, but the discussions that have taken place, and the opinions that have been expressed, make one feel that we do not know where we are.

70. Do you not think it is strange for intelligent men to take notice of the Trades Council representatives who demand such nonsense?—I should like to feel that it is so.

71. *Mr. Matheson.*] Do you think that one of the reasons why tenants ask for the right of purchase is that it would do away with the supervision by Government officers of the properties they occupy?—That would be a very great advantage.

72. You said you thought it would be profitable for the State to give them the right of purchase?—Yes.

73. Does it seem to you that if the State comes to that conclusion, and the tenants are anxious for it, that the lease might well be amended without any wrong being done?—I do not see where any wrong would be done if both parties were agreeable.

74. Have you been taking any interest in watching this demand for freehold?—Yes.

75. Do you think my colleague is correct when he said to Mr. Irvine that he is sure not 2 per cent. of the Crown tenants in the South Island want the freehold?—I know so little about the South Island that I cannot answer.

76. *Mr. Forbes.*] Does not the occupation-with-right-of-purchase lease require ten years' residence?—Yes.

77. If your son was to make his place freehold, would not all the regulations then be done away with?—The regulations are already complied with except with regard to residence, which of course, cannot be complied with until the ten years have expired.

78. Do you not think it is necessary in settling people on the land that some provision should be made for them remaining on it?—Certainly.

79. If a settler is allowed to buy when he has made his improvements, do you think the residential condition should still be adhered to?—A man is not likely to leave his property after he has made all his improvements.

80. Would he not be likely to sell out to his neighbour or to somebody in the towns?—That is a thing that is continually being done.

81. But under lease in perpetuity is not continuous residence necessary?—Yes.

82. Then, is it not more likely that people will remain on the land under lease in perpetuity?—No, when a farm is improved it will be occupied. It will not be allowed to return to its natural state.

83. Might it not be let to a tenant privately?—That might be possible, but it is not probable; but if it was so, what harm would be done so long as the land is made profitable.

84. Would you suggest that a private tenant should have the same right to acquire the freehold as a Crown tenant?—Certainly not; the cases are different. In the one case you only get the country settled, and you are supposed to be adopting those methods which are most likely to improve and settle the country, and, in order to do that, you must try to make the conditions as favourable as possible to those people who occupy the land. It does not matter who is using the land so long as it is being used profitably.

85. Do you think in the case of private leases it would be much better for the country and for the settler if the right to purchase was given?—I do.

86. *The Chairman.*] Do you question the security of the lease-in-perpetuity tenure?—I say there is a feeling of uncertainty. We know there is an agitation, and this agitation is growing to a certain extent.

87. Do you think that an agitation got up by irresponsible people who will not touch the land themselves would have sufficient weight with any Legislature to cause them to do such a thing as that?—I hope not.

88. If the Legislature did such a thing as to repudiate a title given legally to land and honestly acquired, do you not think the Imperial Government would veto such an unconstitutional Act?—I certainly think they ought to.

89. *Mr. McLennan.*] You say that part of this town is built on freehold and part on leasehold. Do you know if there is any valuation for improvements at the expiration of the lease?—I never saw one of the leases, and I really cannot say what the conditions are.

THOMAS STEPHENS TIPPETTS examined.

90. *The Chairman.*] Are you a landholder?—I hold about 600 acres under occupation with right of purchase. I am living upon the property, which is situated about twelve miles from here.

91. Have you any particular matter to bring before the Commission?—I am not satisfied with the manner in which the Government deal with swamp land. My property is swamp land, which is supposed to be first-class land, but we are not given the right to drain that land on account of the outfall being through Maori country. The Government do not take the matter in hand, and we cannot, and so we have to pay rent on a large amount of land which is of no use to us.

92. Do you wish to bring forward any other matter?—I think that the freehold is the best tenure, but that we should have the right to acquire the freehold at any time when we are in a position to do so. For my own part, I have the right of purchase already, but I think that we should be allowed to exercise that right when we have fulfilled the other conditions without waiting for the expiration of the ten years.

93. *Mr. McCardle.*] Would you extend that right to the settlers under lease in perpetuity?—I think it would be a very good thing if they were allowed to do so.

94. Have you any drawbacks in the matter of roads?—I think our land was robbed by the rating on account of the roads.

95. Have you swamp to cross to get to your land?—Yes, that is where the road is required. They have made the approach, but not the road leading to the approach.

96. Was any promise made that the road would be formed within a certain time?—They have made two "sorts of roads," but we would like to see them start on the principal roadwork.

97. *Mr. McLennan.*] Have they any money on hand with which to make the road?—Yes, money was voted for the purpose, but it has not been spent.

98. Do you think the Land Boards should continue on the nominated system?—I think that the people, and not the Government, should nominate the Boards.

99. On what franchise would you have them elected?—I think that the local bodies might elect them, but I have not given the matter much consideration.

100. Would you give the same privilege to the people living in the boroughs and towns?—If the local bodies elected them, the townspeople would have as much say in the matter as those in the country.

101. They are taxpayers, and that being so they ought to have the privilege of electing the members of the Land Board?—There is a good deal in that. Perhaps the country people ought to have more say in the matter than the town people. Members might be allocated for each district, and the local bodies in those districts elect the members.

102. Do you not think that would be very expensive machinery?—I should not think so.

103. *Mr. Matheson.*] Do you think it would be wise for the people to elect policemen and railway stationmasters, and so on. Does it not seem to you that the man who has a knowledge of the district is the man who is most competent to be a member of the Land Board?—I should think the members of the local bodies would have a better opportunity of judging whether a man had had experience in the district than the Minister.

104. Do you think it would be wise if the County Council had the right to nominate a man for a list from which the Minister should choose?—I think the Minister should be left out of it altogether, because then there would be no undue preference given to men for political reasons.

105. Do you not think that that might occur when the local bodies were picking the men?—No, it does not follow. The local bodies would be composed of men elected irrespective of their political opinions.

106. Do you think that there might be this danger if the local bodies elected the Boards; that, if there was dissatisfaction with the administration, the Minister might turn to the people who complained and say, "Well you would not let me administer the Act. You elected these men, and they are responsible for what has been done"?—Well, they would have only themselves to blame then.

107. You think, then, that it would be wise to give the County Councils power to elect?—Yes.

108. Are you able to say with certainty that all the loading upon your land has not been spent?—I think this road I am referring to was the subject of a special vote. I saw in the newspaper that a certain sum had been voted to make this road, and it has not been gone on with.

109. But a grant of that kind is quite distinct from loading?—Yes, I think so.

110. What length of drain would be needed through the Native land to give your water an outlet?—I do not think it would be more than 40 chains.

111. Are you sure you have not legal power to make the Natives give you an outlet?—When the Road Surveyor was there he interviewed the Maoris, and he afterwards told me that they refused to give permission for it to be done, because they have an eel-weir built on the creek, which dams up the water. He told me that they refused to have the eel-weir touched.

112. Have you laid the case before the Land Board?—No.

113. Does that not seem to you a reasonable thing to do?—I did not know whether the Land Board would have power to interfere in the matter.

114. Have you any suggestion to make as to what would meet your case?—Probably the best plan would be that the Government should take the matter in hand and compensate the Maoris for the loss of their eel-weir, and drain the swamp.

115. *Mr. Forbes.*] You say that you would like the conditions of your lease altered so that you may pay it off at any time. Is that the only condition you wish altered? If you had the right to pay it off any time after you had made the necessary improvements, do you think you should be still subject to the ten years' residence, or is it the residence you object to?—Of course, I reside on my section, but I do not think that residence should be compulsory. I think a man should be allowed to live where he likes.

116. Then, it is the residence condition you wish altered?—Yes.

117. It has been said that people will not take up lease-in-perpetuity sections. Has that been proved in this neighbourhood?—Most of the people whom I have spoken to do not seem to like that tenure.

WILLIAM MAKEPEACE HOWE examined.

118. *The Chairman.*] Are you a landholder?—I hold 740 acres at Te Rauamoia under occupation with right of purchase, and 130 acres under lease—not lease in perpetuity, but ordinary lease.

119. You occupy this land?—Well, I cannot say that I do. I am farming it, but not residing on it. The roads in the district are so bad that it is almost impossible to reside on it, especially as there is no school.

120. *Mr. McCardle.*] You have been compelled to build a house in Kawhia in order to get near a school?—Yes, on purpose to get my children to school.

121. You know something, then, of the “no-road country”?—Rather too much.

122. Do you think the settlers have been well treated in the matter of roads?—Certainly not; they have not been treated at all fairly. In many cases the land has been loaded, and the settlers are paying interest on the loading, and yet they have no tracks to get to their sections.

123. Have not promises been made as to the making of roads?—Some two years ago Mr. Seddon was in Kawhia, and he expressed great disgust with the backward condition of the district. He made a great many promises to the deputations that were sent to meet him, and the people in the Kawhia district expected that they would soon have passable roads at any rate, but since then there has been no improvements whatever. Money has been voted for roads, and the settlers have had to write for months and months to try and get the money spent, but as a rule, after the 31st March, the Department say the vote has lapsed, and that they will have to wait until it is reallocated. Then, another twelve months go by, and perhaps the same thing occurs. For the road running past my property £250 was voted. We waited six months, and as there was no prospect of the money being spent we wrote to Mr. Burd, District Road Engineer, who replied that the vote had lapsed and it would have to be reallocated. It was eighteen months after the original appropriation before we got any money spent.

124. You know the Kinohaku district?—A little.

125. You are aware that that land was withdrawn from the ordinary conditions of settlement and thrown open under lease in perpetuity?—Yes.

126. Do you know if the settlers are satisfied with that condition?—Certainly they are not. In fact, the alteration was the means of driving away a great many promising-looking settlers.

127. You are aware that a good many settlers in the district have applied to the Advances to Settlers Department for loans upon properties on which large improvements have been made, and could not get the loan?—That is so.

128. Do you think that is a satisfactory state of things?—Certainly.

129. Do you not think that the first consideration of the Government should be for their own tenants?—Yes.

130. Is it not one of the principal drawbacks of the lease-in-perpetuity system that, after a man has spent hundreds of pounds on improvements, the Government will not make advances on the property, and private individuals do not advance either?—That is the principal drawback to the lease-in-perpetuity tenure.

131. Even a greater drawback than the fear of revaluation?—Yes.

132. It takes a great deal of expenditure upon these holdings before a man has any return?—Several years' work.

133. You have had some experience yourself on this point. Talking of the drawbacks in regard to roads, have you been able to make any profit at all out of your section?—Absolutely none. If a man holds his own for the first four years he does well, that is, where his section is away on the bad roads. His expenses on stock are three or four times greater. Then when he gets the stock there they have suffered greatly by the way. In fact you are lucky if you get in without losing some of them.

134. I suppose it is within your knowledge that settlers have been heavy losers?—I know of one case where a settler started with several hundred sheep. He had six miles of bush-track to go over. That journey of six miles took him six days, and he lost two hundred sheep worth about 14s. each.

135. *Mr. Matheson.*] Do you think that the conditions as to loading should be altered to something like the regulations under the loans to local bodies?—Most decidedly.

136. You do not think a man should pay interest for 999 years?—That is quite unreasonable.

137. Have any votes lapsed and not been spent for more than two years since their first granting?—I cannot say for certain. Certainly numbers of them have lapsed from year to year. They will be voted for one year and not spent, and then revoted the next year, when possibly some of the vote will be spent.

138. If the Roads Department can show from their books that all the loading has been actually spent on the roads, does it seem to you that they are doing an injustice in not completing the roads?—Yes, I think so, because some of the Kawhia land was taken under a promise that it would be loaded as it was taken up.

139. Was that promise on the plans or was it a verbal promise?—I cannot say. I have an idea that it was in the Land Act, which says that access will be given to land when it is taken up.

140. Do you think that the system of making roads by grants is satisfactory?—No, I do not.

141. Do you think it would be better if the local bodies got a much bigger subsidy, and that the heavier they rate themselves the bigger the subsidy should be?—Certainly, for two reasons. In the first place, when the Government spends money it is spent in a very expensive manner. Half the money is eaten up by Inspectors.

142. Mind, you are on oath; can you say that seriously?—No; but a good deal of it, anyhow.³ There is more in proportion spent on inspection than would be the case if spent under the contract system.

143. Do you think that when grant-moneys are to be spent on the road they would be better spent by the local body?—I think so.

144. *Mr. Forbes.*] You said that the Advances to Settlers Department would not advance in Kawhia on lease in perpetuity property. Do you know that as a fact?—Not of my own knowledge.

145. How do you arrive at the statement?—By deduction. If a man has a well-improved property and applies for a loan and cannot get it, what other reason can there be?

146. The reason has not been given by the Board that it was a question of tenure?—No.

147. Have you had any dealings yourself with the Advances to Settlers Department?—Yes; when I was in Taranaki I had 51 acres, worth £6 an acre. I applied for £300 upon the property, and they offered me £200. I elected to forfeit my deposit for valuation.

148. That is the amount allowed by the Act, three-fifths of the value?—Is that so.

149. In reference to the sections at Kawhia that were offered under lease-in-perpetuity tenure, were they all taken up?—I think they were with the exception of one or two.

150. At any rate the tenure has not had the effect of keeping the land locked up: people went on it all the same?—Yes, when a man cannot get clean water he will sometimes take muddy.

151. From what districts have the people come who have taken up land in this district?—From all parts of the colony.

152. Would they very much like the option of purchase?—Yes.

153. Is that for the purpose of putting their savings into the land, or in order to be able to sell out more readily?—I do not think it is for the purpose of selling out. It is principally because if they want an advance they can then get it under the advances to settlers system.

154. Will not outside money-lenders lend money to perpetual-lease holders?—I think it is pretty well understood that they will not, in this part of the colony.

155. As to the residence conditions, would it not be reasonable that before they are enforced a reasonable road should be made to the sections?—I think that would be reasonable. This demand that settlers should reside on their sections so early is the principal drawback to the system. Of course under the occupation with right of purchase you have four years' exemption, but a district does not advance much in four years.

156. Would it be reasonable that when those facilities were granted that the conditions should be enforced?—I think so.

157. Were you consulted as to the expenditure of the "thirds" accruing with respect to your land?—No.

158. Did you ever hear of a single settler who was consulted?—No.

159. Is it not a fact that the Land Board has handed over the "thirds" without considering the settlers at all?—I never heard anything about what became of them.

160. I suppose that you are aware that nearly all the settlers in the district have made improvements much beyond the requirements of the Act?—Yes.

161. *Mr. Matheson.*] Do you know the block that was offered under the optional tenures and then withdrawn and offered under lease in perpetuity?—Yes.

162. Can you say there was any difference in the number of applications received on the two occasions?—I cannot say for certain, but I should imagine that there were very many less applications the second time.

163. *Mr. Forbes.*] What was the reason for offering under only one tenure?—The reason given was that they had some inkling that there were some minerals in the land.

164. Has that supposition been borne out?—Not so far.

165. Has any geological survey been made?—Not that I am aware of.

166. *Mr. McCardle.*] Is it not a fact that certain members of Parliament who do not believe in the freehold made a claim on the Government in the matter, and that those men boast that they were the persons who had the land withdrawn from the optional system?—I have heard so.

JOHN BURGESS TEASDALE examined.

167. *The Chairman.*] Do you hold land in this neighbourhood?—My daughter has 560 acres under occupation with right of purchase, and I am assisting to farm it.

168. Have you anything particular to say?—I heard the evidence of Mr. Tippetts with regard to drainage. Our land abuts on the same swamp, but we have perhaps a better fall than Mr. Tippetts, though not sufficient to thoroughly drain the land, and we have spent several hundred pounds on drainage. The only remedy I can see is for the Government to take the matter in hand and drain the land, or purchase the Native land; and I am sure the settlers would be willing to pay a proportion of the cost of draining the land. There are three weirs, and they are only used once a year or thereabouts.

169. *Mr. McCardle.*] You took up some of the fern land, did you not?—Yes.

170. And you found it fairly good land when well watered and manured?—Splendid land.

171. You have spent a considerable amount on manuring?—It is not necessary. In the first year you will get a good crop of clover, without it.

172. Do you know the quality of the Government land in the district?—For at least twenty-five miles southward it is as good as any about here.

173. Do you think that the Government land between here and Te Rauamoia would be readily taken up for agricultural purposes?—Yes.

174. Is it well adapted for dairying?—It is the finest I have seen since I left my native county, Cheshire.

175. Have you had any experience of advances to settlers?—I have done a good deal of the valuing for the Government. Since the advances to settlers system came in the district has gone ahead wonderfully, from nothing else than this system and the dairying industry.

176. Is there not a disinclination on the part of the Advances Board to make advances on Crown land?—I think that if a man makes his improvements he will get his loan.

177. As to the Church land in this town, is that leasehold system satisfactory?—No; it has been a great drawback to the settlement.

178. Do you know anything of the administration of the Native Land Act?—I know that it is working very unsatisfactorily.

179. Do you think it would be wise to allow the Natives a free hand in the disposal of their lands?—I think it would be wise if the Government took their land over, giving the owners debentures or giving them lands more together than their present scattered holdings. If a Native lives beside you he does nothing but grow rabbits and weeds.

180. *Mr. Matheson.*] Do you think that if the Government took over the Native land the Natives themselves would be satisfied?—I think he would be thoroughly satisfied, if he was given anything like a fair price.

181. Who has the administration of the mission land?—A Trust Board.

182. Have they the right to sell?—They said they had not, but they reckon now that they have, and they have sold 5 acres. Canon McMurray told me the other day that he would renew a lease of mine for sixty-six years.

183. Will they give any right of purchase?—I do not think so.

184. Would it not be wise to petition the Land Board about that swamp drain?—Perhaps it would.

185. *Mr. Forbes.*] Do these mission leases carry any right of compensation for improvements?—No. Canon McMurray told me that when the lease expired I had no claim on it whatever, that one's improvements were confiscated.

186. Do you not think that form of lease should not be allowed?—I consider that it should not be. It is robbing a man in my opinion.

187. Would the State be justified in legislating to prevent such iniquitous leases being foisted on a tenant?—I think it should be the law of the land that every man should have his improvements, whether he is a tenant or a landlord.

THOMAS WEAL examined.

188. *The Chairman.*] Where are you settled?—I hold 312 acres in the King-country under lease in perpetuity. I was not fortunate enough to get land under the ballot system, so I bought another man out. A road had been put through the property just before I bought it. The Land Board took this land for the road without consulting me, and without making an allowance in my rent for the land taken off, and I have since then always paid my rent under protest.

189. *Mr. McCardle.*] What, in your opinion, is the best system of tenure?—The occupation with right of purchase is the best system all round.

190. *Mr. McLennan.*] Had you no compensation for the land that was taken?—No.

191. *Mr. Matheson.*] Had they the right to take this road through your land?—Well, under the Act they had. They are quite willing to give me a road outside this boundary in lieu of the land they have taken, but they give me no compensation whatever, not even for breaking the property, which I consider is the damage to it, and the extra expense of two fences.

192. *Mr. Forbes.*] Have you heard any complaints in your district about the residential conditions?—I think the settlers are very much of the same opinion as myself, in favour of the freehold.

193. Do you consider it a reasonable condition that a man should reside on his holding?—I think it rather a hard-and-fast rule that after a man buys his section and puts in the required amount of improvements that he has to wait ten years before getting a Crown grant.

TE RAUAMO, WEDNESDAY, 31ST MAY, 1905.

JAMES EDWARD NOONAN examined.

1. *The Chairman.*] What are you?—I am a settler; my brother and I hold 1,254 acres of land about eight miles from here by road, under the occupation-with-right-of-purchase tenure.

2. Are you satisfied with your tenure?—Perfectly.

3. Is there any matter you wish to bring before the Commission?—Yes; the land we hold is burdened with a certain amount of money as loading for the construction of roads, and although we pay the loading and have been on the land between three and four years, and have paid regularly our interest, we have got no roads. I think it is an injustice that we should be called upon to pay for what we have not got.

4. *Mr. McCardle.*] Are you satisfied with the constitution of the Land Boards?—Fairly; but I think the bush districts should be represented on the Board as well as the open country.

5. Do you think it desirable that the number of members on the Auckland Board, for instance, should be increased to, say, seven, so that the various districts and their interests should be fairly represented?—Yes; I think that would be a good thing.

6. What is your opinion with regard to the land-tenure?—I think the freehold is the best.

7. What about the 999-years lease?—Personally I have no time for the leasehold, nor do I think that any person who has been on the land for any length of time will hold with the leasehold.

8. You know the circumstances of the Kawhia Block settlers who took up the land under lease in perpetuity: do you think those settlers should have the right to purchase extended to them?—Yes; I think they should be placed in the same position as other settlers under the option with right of purchase.

9. Do you agree that the conditions which compel new settlers to reside on the land for four years should be enforced?—Yes; I think the residential clauses should be enforced; but, unfortunately, there is this difficulty; that at the present time some of the sections are twenty miles back in the bush and have no road access, and if a man is not blessed with a large amount of money he cannot possibly carry out the residential conditions.

10. Are you of opinion that the Government is not keeping faith with the settlers with regard to roads?—No; they are a long way behind.

11. There is a large quantity of Native land around you here. Do you think the Government should take prompt steps to get that land settled?—Certainly; it is a curse at the present time to the settlers, and what makes matters worse now is that we have the rabbits coming along.

12. Are you aware that the Natives are most anxious to have a freer hand than at present in dealing with their lands?—Yes; years ago I heard from the Natives that what they wanted was to be placed on the same footing as Europeans with regard to their lands. Their complaint was that at present their hands were tied and they could do nothing.

13. Has the land risen in value here recently?—Just in this immediate vicinity it has gone down considerably. I do not think you could give a section away now.

14. Do you think there is much unearned increment in the blocks?—None whatever.

15. You think that the settlers who have gone on the back blocks have done so in order to work, and that they are entitled to any benefits that may come to them from their work?—Yes, decidedly. Our grievance at present is that, although we have been struggling for a long time, we get nothing in the shape of roads.

16. The roads generally are made from special votes granted by Parliament. Do you not think the Government should do away with special votes and grant to the settlers £2 for every £1 that is raised by way of rates for the making of these roads?—I think the roads should be made out of the general revenue of the country, so that the people living in the towns as well as in the country should contribute their fair share. The roads to the back blocks are a benefit to all. I do not believe in the loading of the lands at all, because it is a loadstone on a settler, keeping him down for years, and he has to make the roads for those who come after him.

17. Is there any aggregation of large estates here?—No, I do not think so.

18. What do you consider is about the proper area to offer as sections here?—It is of no use going on to sections of under 500 acres at least.

19. Do you think small settlers should be allowed to extend their holdings?—Yes.

20. Would you be prepared to advocate that an Act should be passed which would limit the amount of land any one could hold in fee-simple as well as under lease in perpetuity?—Yes, provided the area was not too small.

21. *Mr. Forbes.*] You believe that residential conditions are necessary for settlement?—Most decidedly. If my neighbour who takes up land fails to reside on it he is of no use to me, and, in fact, he is only a hindrance, but while I think the residential conditions should be enforced, the Government should carry out their promises with regard to the making of roads.

22. It has been urged before the Commission that men living in towns who wanted to make a home for their sons should be allowed to take up bush land, and by making double improvements they should be exempt from residence?—My experience is that where you get one of these dummy town people in a settlement, instead of being a blessing they are the reverse. We are getting too much town legislation in connection with our lands already. Of course, if they did double improvements it would not be so bad. But my experience with regard to these absentees is that they just take a little bush down, and in four or five years afterwards the place is in a worse condition than it was under virgin bush.

23. Are there many of these absentee sections about here?—We have had a few of them. I have no grievance myself against any one, but the Commissioners can see for themselves close to here a section belonging to a man who is not living on his land, and they can see the condition it is in. I believe in the residential conditions, no matter what the tenure may be.

24. Do you think that a man who has taken up land under occupation with right of purchase should be allowed to pay it off in four or five years if he has completed the necessary improvements?—I would have no objection to that, provided the man kept up his improvements and went on improving afterwards. There is no doubt, however, that it is much better to have the people on the land. We have a factory here and we want as many people upon the land as possible to keep that factory going.

25. Is your land good land?—Very good I think.

26. Does it take grass well?—I never in my experience saw better.

27. Is it clear of weeds?—Yes; but we have below here, about one mile and a half away, a special settlement, and those sections are regular seeding-grounds for noxious weeds. The creek running through takes the seed along and they get distributed broadcast. I was told by the Inspector that there was ragwort and other weeds getting all over the place.

28. How was this small settlement founded?—From what I can gather, the people who were allotted the sections had to be qualified in some way. They had to qualify, I believe, by being for about three months out of work in the cities.

29. It is an improved-farm settlement?—Yes.

30. *Mr. McLennan.*] What is your objection to the lease-in-perpetuity tenure?—My experience is that a leaseholder does not take the same interest in his place as a freeholder does. And I feel quite sure myself that, although this lease under the lease in perpetuity may have been made in good faith,

the time will come when those who come after us will say, "You have this land too cheap, you will have to pay more rent," without taking into consideration the hardships the pioneer settlers had to put up with.

31. Do you think there is any likelihood of this Parliament or any other Parliament breaking their own agreements with the tenants?—Yes; they have broken faith on two or three points already. I have no faith in them.

32. Do you know anything about the tenants who have lands under lease in perpetuity in the South Island, that is, on the acquired estates?—No; but before I came up from Canterbury to Kawhia I saw what the conditions of those leaseholds were, and I thought I would rather come to another part of the country where I could get a chance of getting the freehold.

33. Do you not think the leaseholders improve as much as the freeholders?—My experience is that their improvements are flimsy.

34. Do you not think that 999 years is a long enough term to induce them to make improvements?—Well, under the freehold you please yourself, but under the leasehold you are so dictated to by officers and other people who come round and tell you how you are to crop or trench your land, and so on.

35. Do you think it would be advisable to allow tenants to farm their property as they think fit, and remove all restrictions on condition that they have improvements to the extent of 32 per cent. on the capital value and 18 per cent. on the goodwill?—No, not from a private point of view.

36. *Mr. Matheson.*] Do you think the occupation-with-right-of-purchase tenure is best for the colony as well as for the settler?—Yes.

37. What amount of loading is put on the sections?—In some cases 2s. 6d., and in some cases up to 5s. and 7s. 6d.

38. Has that always been spent?—I do not think so.

39. The Government do not guarantee that they will complete the roads out of loaning, but the loading is really to begin making roads?—I think it is very little use loading at all if there is not something to show for it.

40. In addition to the loading have there been any Government grants for roads?—No; there is no county in force here. We have to beg for any money we want. We have had some money spent by the Government Roads Department.

41. Would that not be granted by Parliament?—Yes, I suppose so.

42. I understand you are thinking of forming yourselves into a county?—Yes.

43. Will you not then be in a better position?—Yes; if the Government will then grant us money, I think we shall have a great deal more to show for it in roads.

44. *The Chairman.*] Do you think in a district like this it would be better for the Government to make the main roads through the district before leasing or selling any of the sections?—Yes.

45. If the sections are to be loaded, would it not be better to make the roads first and then load the sections to pay for the cost of the roading?—Certainly, we should then be paying for what we had.

46. Assuming that the option to purchase is not given under the lease in perpetuity, would it be an advantage to the tenants to have the right to pay off a part of the original value and then have all restrictions as to how they farm their land removed?—I should say with regard to agricultural land it would not be a good idea.

47. Do you pay rates here now?—We would prefer to pay rates if we got roads.

48. Did you take up your land at the first ballot?—No; what we took up was a rejected piece. I believe the Commissioner gave the people to understand that the roads would be put through in two years, but we have had to wait five years and we have not got roads yet.

49. There is an impression in the minds of a good many people that settlers are asking for the freehold in these districts simply from sentiment. Is it not a fact that to enable them to make the best use of the property it is necessary for them to have the right of purchase, so as to be able to finance their affairs?—Yes; the Advances to Settlers Office do not care to lend money to leaseholders, and even the Government Life Insurance Department and other offices want freehold as a security.

50. Do you know that some settlers who were applying in this district some two or three years ago were refused advances?—Yes; and I know of a freeholder who was advanced £1,000 when many other settlers were being refused.

JOSIAH EASY examined.

51. *The Chairman.*] What are you?—I am a settler. I hold about 430 acres under lease in perpetuity.

52. You have heard the evidence given by the previous witness. Do you agree with all he has said?—Pretty well. I object to the lease-in-perpetuity tenure because under it a settler cannot finance his place, or sell it, or get an advance upon it.

53. Can not you get an advance upon your improvements?—He may be able to, but if he had the right to purchase it would be much easier for him. You were speaking about unearned increment just now; I do not believe there is any unearned increment.

54. Did you have the option of occupation with right of purchase or lease in perpetuity when you took up your section?—Yes, I thought it better to take it up under lease in perpetuity as the rent was a little easier, but I had not much experience of it then. I did not know how difficult it would be to finance.

55. *Mr. Forbes.*] So far as the working of the ground is concerned, does the fact of its being a lease keep you in any way from farming it?—No, except that if I had a freehold I could raise money on it.

56. *Mr. Matheson.*] If you had the right to purchase do you think you would have more satisfaction in leaving the place to your children, who would then have an opportunity of purchasing when they earned the money?—Yes.

57. *Mr. McLennan.*] Did you take up your land by ballot?—It was put up at the ballot originally, but I took mine up afterwards from another man.

58. How many went in for it at the ballot?—Eleven.

59. Now you apply for the option to make it freehold. Do you not think that those who were not successful at the ballot should have as much right to apply for the freehold of that section as yourself?—Certainly not. I have been on the place for five years now, and look at the money and time I have expended on it.

60. Provided you got full valuation for all your improvements do you think others should be allowed a chance of getting that section?—Yes.

61. *Mr. Matheson.*] Do you think if a Government officer came to assess the value of your improvements he would allow you anything like the wages a city worker would have earned in the same time and working the same yours?—No.

62. You think you would have worked a great deal more than you could be paid for?—Yes, there is a great deal a valuer would never see.

63. *Mr. McLennan.*] Have you a fair amount of improvements on your section?—Yes.

64. Cannot you get an advance from the Advances to Settlers Department?—My brother applied twelve months ago and could not get it.

65. Would you be surprised if I told you it would be easy to get it now?—You do surprise me.

66. I have it on good authority that settlers can borrow money on their improvements on leaseholds as well as on freeholds?—You can get very little. I know cases of men who applied for money on their improvements, and did not get anything like what they expected.

67. How long ago was that?—About two years ago.

68. *The Chairman.*] There has been a great deal of talk in the cities about revaluation of the unearned increment. Do you think a man who tackles a piece of bush in the country and spends all his time and labour in getting it into order should be allowed something for that, or do you think only visible improvements should be recognised?—I think a man should get all he earns.

SYDNEY CLARKE examined.

69. *The Chairman.*] What are you?—I am a settler. I hold 643 acres of land under occupation with right of purchase. I reside on it and have improved it.

70. Is there any matter you wish to speak upon which has not been mentioned by the previous witnesses?—No, except with regard to borrowing. One gentleman of the Commission tells us it is a simple matter to borrow on leasehold property, as easy as on the freehold. I have always understood that on the freehold you can borrow up to three-fifths, and on the leasehold only about half.

71. Have you ever known of an application being made for an advance up to half the amount of improvements and refused?—I know that applications have been refused, but I have not been over the property to value the improvements myself. I know the applications have been for advances up to half the value of improvements.

ARTHUR ORMSBY examined.

72. *The Chairman.*] Are you a farmer?—I hold about 600 acres of Native land about here. It is freehold, of course.

73. Have you anything you wish to bring before the Commission?—I wish to speak about the way in which the ragwort is spreading all over our lands in this locality, and is doing great damage in the surrounding districts. The grass-seed supplied to the settlers here was sent by the Government, and the ragwort has come in with that grass-seed. There is also ragwort on the Crown lands and it is spreading to our lands. I wish the Commission to take note that it is not being kept under. The Government, through Mr. Greenslade, had it cut down in the summer, but that was no good. It should be taken in hand early in the season.

74. Are the settlers neglecting it?—Some are and some are not.

75. *Mr. McCardle.*] Do not the sheep keep down the ragwort?—Yes, but here we have cattle and are dairying. We have gone to great expense in building a factory. Where there are cattle it is not kept down, and if the spread of this weed continues we shall have to close our factory down. I think the matter ought to be attended to by the Government because the Government is the landlord, and the land is mostly occupied by Crown tenants.

76. You think they should clear the Crown lands and the private lands?—Yes.

77. *Mr. Matheson.*] On the question of dealing with the Native land difficulty, suppose the Crown assisted in getting the lands individualised, secured to each Native a small residential piece, and then took charge of the rest to either let or sell it, putting all the moneys received into Government bonds and then paying the interest only to the Natives, do you think that would be satisfactory?—It would be better than the present state of things.

78. If a careful scheme of that nature were gone into, do you think the Natives would raise any objection?—No, I do not think they would, provided the Natives themselves were allowed to help to work the question out. I think if two or three able men went round to see the Natives and get at their ideas they could adjust the thing.

GEORGE FREDERICK BARTON examined.

79. *The Chairman.*] What are you?—I am a settler. I farm 147 acres of land in this locality, which I hold under lease in perpetuity.

80. Have you any remarks to make to the Commission?—I only wish to say I am against the lease-in-perpetuity tenure. I believe in the occupation with right of purchase. Then, so far as bor-

rowing is concerned, on a freehold you can get up to two-thirds of the whole value, including the so-called unearned increment. But as for leasehold, you have nothing but the improvements to borrow money upon, and you can only get 50 per cent. on the improvements.

81. Has it not sometimes turned out to be a misfortune to a settler to be able to borrow as much as he wished?—I have not found it so because it has enabled me to put more improvements on my place.

82. *Mr. Forbes.*] Had you any option as to what tenure you would take up your land?—I took it up second-hand from a man who originally took it up under lease in perpetuity. He took it up under that tenure because of the reduced rent.

83. *Mr. Matheson.*] Many of the townspeople have a strong feeling that if the lease-in-perpetuity tenure were done away with, or if the option of purchase was given, a great injustice would be done to them in thus parting with the national estate. Do you think it would be against their interests to do so?—I think the man who has a freehold is the man who is most likely to do the best with the land.

84. Do you consider that by granting the occupation with right of purchase it will be doing a good thing for the town population?—Certainly.

85. *Mr. McLennan.*] Is there anything in the lease in perpetuity which would prevent you from improving your land?—No.

86. *Mr. Matheson.*] Does not the disability in money matters hinder you from doing as much as you otherwise could on the land?—Yes, you cannot do the same amount of improvements.

87. *The Chairman.*] If the lands had been left in their natural state, would they have increased perceptibly in value?—No, it is only the advent of people into a district which gives value to land.

88. Do you mean by that that it is the settlers singly and collectively that give the increased value to the land?—Yes.

89. Do you think they are entitled to that increased value?—Yes, I think they are entitled to all they can get.

EDWIN EASY examined.

90. *The Chairman.*] What are you?—I am a settler. I hold 256 acres under lease in perpetuity.

91. Are you satisfied with your tenure?—Yes, but I should like to have the right to acquire the freehold.

92. Is there anything that you wish to bring forward that has not been brought forward by previous witnesses?—I would like to make a few remarks about the Advances to Settlers Office. I think the Act has been a failure here principally owing to the valuer who was sent here. He valued our improvements too low, and instead of getting what we anticipated—namely, 40 per cent., we only got advances of about 20 per cent.

93. *Mr. Matheson.*] What was the amount of your application and the amount of the valuation and the amount offered you?—I applied for a loan of £100 and I received £50. I wrote to the Premier about it, and the mortgage was made out for £75, and I was informed I would get the additional £25 when I had effected more improvements. I never got the additional amount and I was able to tide over with the amount I got, but I do not intend to apply to the Government for any more advances.

94. What did you value your improvements at?—£250

95. Do you know what the Government valuer valued them at?—I do not remember. I know I had a two-roomed cottage which cost me £75, and the valuer valued it at £20.

96. *The Chairman.*] Do you consider that the settlement of land such as this promotes the prosperity of the colony?—Certainly I do.

97. And you think it benefits every man in the colony, whether he be a town resident or country settler?—Yes.

KINOHAKU, THURSDAY, 1ST JUNE, 1905.

EDWARD CHARLES STANLEY examined.

1. *The Chairman.*] What are you?—I am a settler. I hold 1,462 acres under lease in perpetuity in the Marakopa Valley.

2. Is there any particular matter you wish to bring before the Commission?—I may state that I and Mr. Shaw are here to represent the settlers in the Kinohaku and Maungamangero Blocks. In regard to the question of land-tenure we consider that we should have the right to acquire the freehold. I would bring before the Commission the fact that the settlers in these blocks were very unfairly dealt with. We had not the option of acquiring this land under occupation with right of purchase or for cash. We could only take it up under lease in perpetuity, and the fact that the tenure was restricted to that one form of lease was only intimated to us practically at the last moment. The settlers on these two blocks were dealt with worse than the settlers on any other block in New Zealand. The blocks adjacent to us have since been opened for selection, not only subject to the benefits of the Bush and Swamp Lands Act, but also with the right of taking up under the optional system. As a fair index of how the settlers value the freehold or the right to acquire the freehold, I may state that all the sections have been taken up under occupation with right of purchase. Speaking of the Kinohaku Block I think every settler should have the right to acquire the freehold as soon as his improvements are completed, on the understanding, of course, that the additional 1 per cent. is added to the price of the land to make the rent equivalent to the rent charged under occupation with right of purchase—namely, 5 per cent. I should not like to see the lease in perpetuity altogether abolished, because that tenure might suit some people. I should like also to see the deferred-payment system brought into force again. It was a very good Act and used to work very well in Nelson when I was there.

3. Do you think that those under lease in perpetuity should have the right to purchase it?—I do, for the reason that they cannot very well finance their leases.

4. *Mr. McLennan.*] Do you think those who are under lease in perpetuity are entitled to acquire the freehold?—I think so. You know what the back-blocks settler has to put up with, and unless you offer some inducement to go back, he will not do so. A tenant under lease in perpetuity cannot finance his section. It is very hard to go on the open market and finance a section. He must depend on the Government Advances to Settlers Office, and they will only give a small margin.

5. Do you not think you should ask the Government to give you the option of the freehold as an act of grace rather than demand it: because you are not entitled to it; you took up the land under certain conditions, which the Government on their part are prepared to fulfil? The Government should certainly do so, but will this Government always be in power. Suppose a fresh Government come into power and propose a revaluation of the land. Again, it is very hard to finance a lease in perpetuity unless you are very well known to financial institutions. I think it is a great hardship that the settlers on these two blocks should have been debarred from taking up the land under the optional system, while the settlers on the adjacent blocks enjoy that option. Had the matter been left to our option, I do not think there is a settler but would have taken up the land under occupation with right of purchase or for cash.

6. But you admit that, at the present time that you have no right of purchase?—I consider there is a moral right if not a legal right.

7. Do you not think it would be far nicer to ask the Government for the option of freehold as an act of grace in place of demanding it, for there is no justice in the demand, because you took up the land with your eyes open?—Yes, but I think most of the settlers thought that they would get the freehold at some time.

8. Do you not think it ought to be given as an act of grace rather than as a right?—You would like us to put it in the form of a request rather than in the form of a demand. Well, I think that is very trivial, but if it suits the Government in that way, personally I have no objection. I think the Government only represent the people, and the wish of the people ought to be respected.

9. Surely there is no sensible man who would believe that the colony would sanction such a measure as revaluation of leases?—Of course, it is for the colony to decide.

10. Do you think that the colony as a body would sanction such an Act if it was brought forward by this or any other Government?—I think so.

11. Do you think that the Government would listen to agitators such as the Trades and Labour Councils when they make such a request?—No.

12. Then you admit there is no fear of the Act being amended in that direction?—I do not say that. I say I do not think any Government should listen to such agitators, because they are dealing with a subject about which they simply know nothing. I do not consider myself competent to deal with labour questions in the large cities, and I think the labour people should leave the land question alone.

13. Have you had any dealings with the Land Board?—Yes, and I have always found them satisfactory.

14. Do you think that the present system of nomination by the Ministry of the day advisable?—No.

15. What system would you suggest?—I think the Land Board should be elected by the local bodies, the same as Education Boards are elected by the School Committees.

16. Would you disfranchise the boroughs and cities?—I would not go as far as that. They might have a vote the same as any other local body.

17. *Mr. Matheson.*] If the Crown gave the right of purchase that the Crown tenants are asking for, do you think they would be doing justice to the city dwellers who have an interest in the Crown lands?—I think so. I think it would be beneficial to the cities, because it would give more impetus to the country. The towns are absolutely useless without the country to back them up.

18. Have you had any experience with the Advances to Settlers Office?—No; I think it is a very good Act, and that every credit was due to the Government for bringing it in. But I think the Government ought to advance up to three-fifths of a man's improvements on his section provided always that two-thirds of the advance were expended in permanent improvements, such as bushfelling, grassing, fencing, &c. In regard to the question of loading for roads, I think that the Government should be compelled within two years of a settler taking up the land, to expend the 5s. per acre, or whatever sum has been charged for loading. It is not fair to make a tenant pay interest on this loading, and not expend it. In regard to blocks in which sections have been surrendered or forfeited, I think the Government should load these sections with the thirds accruing to them from the time they were thrown up until they are resold. In our block, one section was surrendered and another was forfeited, and some time elapsed before they were placed on the market again, and there was a great loss of thirds, just at the time when we most needed them. The incoming tenant reaps the benefit of our expenditure without his section having been loaded for these "thirds." Again, while the Bush and Swamp Lands Act is a very good thing, I think the Government have gone a little too far. I think they were very wise in coming to the assistance of settlers in so far as relieving them from rent is concerned; but when they relieve them from paying any taxation to the local bodies, I think that is very unfair. The two sections in our block that I have referred to were put into the market again under the Bush and Swamp Lands Act, and the two individuals lucky enough to get them will pay no rates for four years, while all the neighbours will have to pay immediately the Act constituting the local body comes into operation. I think that is decidedly unfair.

19. *Mr. Forbes.*] It has been suggested in regard to residential conditions, that double improvements should count instead of residence; do you think that is advisable in the interests of settlers?—

Decidedly, in some cases where it is not convenient for the individual to reside on the section, I think he might be exempt from residence provided he did double improvements, and put in a recognised manager in place of himself.

20. Is there not a hardship in this way : If one or two settlers go back, and a number of others do not, but put in double improvements instead, do not those who go back suffer through the absence of neighbours ; are they not prevented from getting schools and other conveniences ?—I really think it is good for a man to be on his own section. It is beneficial not only to himself but to his neighbours and the whole district. But in isolated cases where very good cause can be shown, I think the question of residence should be left to the discretion of the Land Board. I do not think there should be a hard-and-fast rule.

21. Is that discretion used now by the Land Board ?—I never heard of it being used.

22. Are there any people here who are not residing upon the land ?—Not that I am aware of. There are some people who are not on this block yet, but this is a new settlement, and the time within which they must reside is not yet up.

23. Speaking from your own knowledge, would you say that the residential conditions were a hardship here ?—Certainly not.

24. Was some of the land opened here in small areas of 100 acres ?—Yes.

25. Do you think they will be a success ?—I think they are too small. They have been taken up for dairying purposes, and my experience is that 100 acres is large enough only when the land is good or level land. I think the Land Board in these cases should allow neighbours to sell out to one another, and increase their holdings up to say, 200 acres. Of course, I think close settlement is very beneficial to a certain extent, but not in a case such as this. I do not believe in land speculation. I think it is detrimental to any district.

26. Is there any land speculation going on in this district ?—I do not think so. I do not think there are any sections for sale. I never saw a district where there was less of that going on.

27. *Mr. McCardle.*] You and Mr. Shaw have been appointed to represent the wishes of the settlers of the district ?—Yes.

28. Is the feeling of the settlers throughout the block in favour of the freehold ?—Yes, without exception ; they are unanimous.

29. And while you do not claim the option of the freehold as an absolute right, you think, in view of the fact that the Government have settled land all around you under occupation with right of purchase, and that these blocks were withdrawn under the belief that minerals existed, which belief has been proved altogether correct, you should have the right to acquire the freehold ?—Yes.

30. Have you ever heard of any minerals being found on this side of the harbour ?—I do not think so.

31. You have suggested an amendment in the constitution of the Land Boards, but do you not think that a more practical suggestion would be, seeing that the Auckland Land District is so large, that the number of members should be increased from four to seven, and that settlers with a practical knowledge should be nominated from each part of the district ?—I think that would do if the settlers had the option of electing a member.

32. Do you know anything of the conditions of settlement in the South Island under the lands for settlement policy ?—No, it has been since my time.

33. You are aware that the circumstances of those settlers on the improved estates are very different from those of the settlers in this district ?—Yes.

34. In your case, you took up land valued at 10s. or £1 per acre, and you require to spend £3 to £4 per acre to bring the land into profitable occupation, and you think these lands should be treated differently from the improved estates ?—Decidedly.

35. The other argument against the lease in perpetuity is that, if a settler wants monetary assistance, which is an absolute necessity in a district like this, there is only one source from which he can get it, namely, the Advances to Settlers Office, which office under the present conditions, does not meet the requirements of the case ?—That is so.

36. You are aware that no banker will touch a lease in perpetuity ?—That is so.

37. *Mr. McLennan.*] Have you telephone communication with the other side ?—No.

38. Would you be in favour of the people who are settled in the back blocks being given telephonic communication ?—Yes, and I have been working for that for some time.

JOHN SHAW examined.

39. *The Chairman.*] What are you ?—I am a settler in the Kinohaku Block. I hold 325 acres under lease in perpetuity.

40. Are you satisfied with your lease ?—No ; I wish to have the right of purchase.

41. You have heard all that was said by the previous witness : do you agree with all he has said ?—Yes, on most points.

42. If there is anything outside what he has said that you wish to touch on you might lay it before us ?—As one of the people who came to look at this land when it was first open for selection, I wish to point out that it was first offered under the optional system. I had plans sent to me showing that the land was to be offered under the optional system, and I with a great many others that I know of preferred the occupation-with-right-of-purchase tenure. After looking through the blocks on this side, and going to a great deal of experience and trouble we came back to Kawhia to find that this land had been withdrawn without any reason being assigned. We had gone back to Kawhia with the intention of putting in an application and attending the ballot at Te Awamutu. The notice stated that fresh posters would be issued in regard to the block, and when they were issued we found that the land had been opened under lease in perpetuity only. The sections that are now divided into 100

acres were then on the market in sections ranging from 400 to 600 acres. These larger areas were absolutely withdrawn from the public and reserved for a small village-settlement. I speak the feeling of the whole block—being a delegate—when I say there is not an individual in this block who is satisfied with his tenure or with the way the Government treated the settlers in withdrawing the land. I may say that I was told at the time by a man who has had a great deal to do with land business, that if a private individual had done a thing like that we would have had a case against him. The excuse put forward was that there were minerals in the block. The extraordinary thing is that none of us either before that time or after ever heard of any of the minerals named being in the land. We feel we have been very unjustly treated in having had the option withdrawn, and therefore we claim as a right the option of converting our lease in perpetuity either into occupation with right of purchase or into freehold on the payment of cash. I would like to say that any practical farmer who goes into this block and looks at these 100-acre sections will know that it is a sheer impossibility for a man to make a living off anything less than 200 or 300 acres. I think any settlers who are not allowed to hold more than 100 acres of such land are unjustly treated.

43. *Mr. McLennan.*] Do you agree with your neighbour that it is desirable² to have telephonic communication between here and Kawhia?—Yes; it is very desirable.

44. *Mr. Matheson.*] Do you think there is coal in the Kinohaku Block?—I do not know of a single bit of anything resembling true coal in the whole block.

45. Do you think it was on account of the presence of coal being suspected there that the land was withdrawn?—Decidedly not. It was on account of the agitation of those members who do not believe in the Crown parting with the people's heritage, as they call it. They also said that this land was magnificent country, which would carry four sheep to the acre. As² a practical farmer I say such a statement is utterly ridiculous.

46. Have you had any personal experience² of the Advances to Settlers Office?—No.

47. Do you think it should be managed in a businesslike way, and that the Department should make sure they are getting good security for the money they advance?—I think they should carry out their agreement. They say they will lend up to half the value of a man's improvements, and and if they did so I do not think there would be half the feeling that is shown at present against the Advances to Settlers Office.

48. *Mr. Forbes.*] Do you agree with the suggestion that if they advance up to three-fifths of the value of improvements that two-thirds of the loans should be expended in further improvements?—I think that would be an excellent thing because it would be a good safeguard for the Department. But usually that money is borrowed for substantial improvements and nothing else.

49. Are you satisfied that the Government are carrying out their promises in regard to the roading of these blocks?—They are not carrying out their promises in any respect whatever. When we took up this land, the map shewed Mahoenui-Kawhia Road constructed for a certain distance with a 16 ft. formation. That road is there to-day and it leads to nowhere, and it is connected with nowhere. Thousands of pounds have been wasted on that work, and it is useless to anybody. If that money had been spent in putting a road inland from the harbour, or in constructing a railway in, it would have been a great benefit to the district.

50. You think that a road connecting with the railway would be of great importance?—Yes, of the greatest importance. No one who has not travelled stock through hilly bush country without a road or track can realise the difficulties that settlers have to contend with.

52. *Mr. McCardle.*] Is it not a fact that you have no road communication whatever between here and the railway, or any other formed road outside the harbour?—We are altogether isolated.

TE AWAROA, FRIDAY, 2ND JUNE, 1905.

WILLIAM DARNELL HUMPHRYS examined.

1. *The Chairman.*] Do you hold land in the district?—Yes, I hold about 1,000 acres under occupation with right of purchase. I may say at the outset that I have been appointed by a meeting of settlers in the district to appear as their delegate before the Commission. I have drawn up a report setting forth the views of the meeting which has been submitted to and approved by all those who were present, and which I will now read: At a meeting of the Awaroa Valley settlers held on the 20th May, I was appointed by them to place their views before the Land Commission. At that time we did not know whether the Commission would come over to Hauturu, but we are very pleased that you have come, and we offer you a hearty welcome. The settlers who attended the meeting on the 20th May were quite satisfied with the land-tenure which they have got, namely occupation with right of purchase, and were unanimously in favour² of the² freehold. ¶The following were among some of the reasons given in favour of freehold: (1.) That if a settler has a few good years he could save money and buy his land, then if bad years followed, he would not have rent to pay, and the bad times would not be so hard on him. (2.) That a man looks after his land better if it is freehold, and keeps it in better heart, and the idea that it is, or will be, freehold gives him more encouragement to battle with and keep down noxious weeds and other pests that may appear. (3.) That money is more easily procurable on freehold than on leasehold, and also more can be borrowed, if necessary, on the freehold, consequently more improvement could be done on freehold than on leasehold. (4.) That, supposing a man who has a leasehold, becomes incapable of working it through an accident or illness, and wishes to dispose of his goodwill, he must obtain, I believe, the sanction of the Land Board to such sale, and they may object, on the grounds that the goodwill seems exorbitant, whereas it may really be quite reasonable, as second and third burns, extra grass-seed and cost of sowing² same, packing² on bad roads, or no roads at all, and numerous other expenses, besides the man's own labour, all mount up very considerably,

and may make the goodwill seem large, when it is really not at all exorbitant. If, on the other hand, a man has the freehold, he can please himself with regard to sale, and if he makes what is thought to be a good sale he may cause some people to talk about the unearned increment, but we maintain that there is no unearned increment in bush-farming, and I am sure that if the members of the Land Commission had spent the last five years of their lives in the Awaroa Valley they would be of the same opinion as we are. With regard to the Land Board, we think that a portion of the members at any rate should be elected. With regard to roads and bridges, our land in the Awaroa Valley (amounting to, I believe, 11,419 acres) is loaded with about 3s. per acre for roads and bridges; at 3s. per acre this would represent a sum of £1,712. Now, sir, we wish to draw your attention to the injustice we have suffered through this money not being expended or giving us a road through the block. We have had our sections for over five years, and at the present time have only about five miles of 6 ft. track open, with another mile, or thereabouts, being now formed; one bridge is now being erected, the timber for which was cut about eleven months ago, and has been lying beside (instead of over) the Kaimanga Creek ever since. In the meantime the settlers have turned out on two occasions and have erected temporary bridges over this creek, the first of which collapsed when a settler was riding over it, and he narrowly escaped injury to both himself and his horse; and another suffered worse, as he was riding up the track at night, and did not see that the bridge was smashed, and in consequence he injured his horse severely. The second temporary bridge, I am glad to say, has held out till the permanent structure has at last been erected. The reason given for the delay in building this bridge was that the timber required seasoning. I saw a telegram from the Minister for Public Works to this effect the other day. The settlers have also built a bridge over the Te Awaite Creek, and I might mention that it took us two days to do this work, we have also cut several trees off the track, and have done other work from time to time. The accrued "thirds" on our sections to date amount to, I believe, £406, so you see that in something over five years, all we have got (including Government votes and also from loading at 3s. and accrued "thirds," which latter together represent a sum of £2,118) is five miles of 6 ft. track open, and about another mile being formed, and one bridge erected, the whole of which work we estimate (not including the mile being formed) would cost about £600. Now, sir, we think that when a man becomes a Crown tenant of land which is loaded for roading, he practically enters into a contract with the Government, and the Government with him; he as tenant, is compelled to do his necessary improvements and reside on his section within a certain time, and the Government ought to fulfil their side of the contract, by giving him access to his section within a reasonable time also; but it seems that they do not. Now, if the Government do not give a man access to his section, and yet compel him to do improvements, what good are those improvements to the settler, as how is he to get stock in without a road, and how is he to pay his rent without stock? Also, if grass is not stocked, it goes to waste and is inclined to die out, and the land would have been much better left in standing bush, until such time as the Government thought fit to give access to it, and to enable it to be stocked. If the Government do not intend to make the roads, where land is loaded for roading, immediately after that land comes out at the ballot, they should not compel the tenants to do the improvements and reside on their sections until such time as they give them access to their holdings, and all loading should be spent in the immediate vicinity of the land that carries such loading. Some of the Awaroa settlers cut nine miles of track through the bush to enable them to get stock in, and in places there was a lot of side-cutting and navvying work to be done, and it necessarily cost them a good deal of valuable time, and with what result! The Messrs. Babbage went out to the Waikato and bought 460 sheep, and lost 260 out of the mob bringing them in. In my own case I left my first two clearings, amounting to about 60 acres, unstocked, sooner than take the risk of such losses, and waited until the Government made a 6 ft. track to within about half a mile of my boundary, when, by making tracks through the bush, I managed to get sheep in, but I have had to cut down the undergrowth and sow these two clearings pretty well all over again, as they grew up owing to not being stocked. All the other settlers have suffered great loss of time and money, through not having a formed track to their sections, and I have only mentioned the above instances to give you an idea of what it is to be without roads. Want of roads is also most severely felt by the wives and families of those of us who are married. I might mention that some of the settlers contemplate dairying, but of course that is out of the question until such time as they have a road, so you see that the settlers are kept back in every way through not having roads, and cannot make the progress that they would desire, which, if it is the same in other bush settlements, as I believe it is in a good many cases, must be a bad thing for the colony as a whole. When we attended the ballot, over five years ago in Auckland, Mr. Seddon was present, and in the course of a short speech told us that we would have our roads in two years' time. This was naturally most cheering news to settlers about to go back to the back-blocks, but yet, here we are, over five years past since the ballot, and the majority of us have not even a 6 ft. track. I think the above remarks rather substantiate my former statement, that there will never be such a thing as unearned increment, in the Awaroa Valley at any rate. In conclusion, sir, we sincerely hope that the evidence collected by the Royal Land Commission throughout the colony, may be beneficial to the Crown tenants in particular, and to the colony as a whole, and we desire to thank the Chairman and members of the Commission for coming to Hauturu and taking our evidence here. To show the difficulties under which the settlers labour in this district I may mention some of the circumstances of the trip down the river, which I and some of my neighbours made yesterday on our way to this place. One piece of track which usually takes about twenty minutes to get over took us something like two hours. At one place, where you come out of the bush and get into the river, my horse disappeared under the water, and I got wet through, even my change of clothes being saturated. Further down there is a tree across the river which we used to be able to climb over. I thought I would try to lead my pony over it. The result was that he got washed down to the other side of the river, and if I had been alone I should have had to leave him there. Luckily I was able to get him out, Mr. Babbage aiding me with

a long stick, but the animal was very much knocked about. The last ford on the river had been clean washed out, and I suppose now there is 12 ft. of water there. But with the assistance of young Mr. McArdle we did manage to get the horse across. I merely mention these matters to show the sort of difficulties that the settlers have to contend with. If we had been there only a year or two we would not think so much of it, but in the face of the fact that we have been on the block for six years and that we were promised early road communication we consider that we have been very hardly treated.

2. *Mr. Forbes.*] What have been your relations with the Land Board: have they treated you reasonably?—Yes; as far as I am concerned. They could not have done otherwise, seeing that we have all paid our rent and done more improvements than were required of us.

3. Are all the original settlers on the block still here?—All with but one exception.

4. Do you find the residential conditions too hard?—My report gives our views on that point. We do not consider it is fair to compel people to reside on their land at once. Some of us are married men and it is frightfully hard on the women. We consider that it should be optional with the settler whether he goes to live on his section at once. The Government should not compel him to live there until they give him access to his home or at any rate make a start with the formation of roads. In our case it was two years before even they started to form the roads. If it were made optional most of the selectors would in all probability go upon the land at once, but I do not consider it should be compulsory until the Government have done their duty.

5. *Mr. McCardle.*] Do you consider that the objections to the Land Boards as now constituted would be met by this district and others similarly situated being allowed to nominate representative settlers from whom the Government should select a member of the Board?—I do not think that the settlers' representatives should be appointed by the Government at all, because the Government have all the nomination on their side and the Crown tenants have none. Possibly what you suggest would be better than the present state of affairs, but I do not think it altogether meets the views of the Te Awaroa settlers.

6. You have here a very large amount of Native land. Even if this track were made up past your place and connected with the Hauturu Road you would still have no connection from the harbour to of the Pirongia Road?—We have the water, but that does not supply the wants in regard to the moving of stock, does it. There is another way of getting in and that is by the Kaimangu. We could get stock through that way without touching the Native land at all.

7. You know the difficulties in the way of getting road votes spent?—Yes; money has been voted and authorised and yet has not been expended.

8. Suppose the Government departed from the principle of special grants and agreed to allow the proposed new local body £2 for every £1 raised by the settlers, and then a loan was raised and interest and sinking fund was to be paid so long as the "thirds" remained accruing to the property: would not that be preferable to waiting for special votes of Parliament?—I suppose it would, but still the Government have failed in their duty because they ought to have spent the money that has accrued from our loading. We are paying interest on that and yet have no 6 ft. track, much less a full width road through. Mr. Scott, who has been an experienced contractor, has told me that he would put a road through for £2,000.

9. Do you know of any settler here who has been consulted as to the expenditure of his "thirds"?—No.

10. Do you know where the "thirds" have gone that have accrued from this district?—None of us have the faintest idea. At any rate they are not on the roads.

11. *Mr. Matheson.*] It is a very serious thing to say that your land and that of your neighbours has been loaded to the extent of £1,700, not half of which has been spent?—Well that is our rough estimate.

12. In regard to Mr. Seddon's promises to the settlers, were his words taken down at the time?—They were taken down in our heads, four of us now present were in the room when he made the promise.

13. Have you ever reminded him of that promise?—Yes, when he was in Kawhia. Mr. Bell said "What about the promise you made in the ballot-room"? Mr. Seddon said that "Ministers promises were, like pie-crusts, made to be broken." In our opinion the Premier would have done better if he merely said "We will do our best for you." But to say that we should have roads within two years was misleading.

14. Do you consider that the Native-land difficulty is a great hindrance to settlement here?—I am sure it is.

15. *Mr. McLennan.*] Are there many children of school-age in your settlement?—Only two or three at present, but there are younger ones coming on towards school-age.

16. You are a long way from a doctor or from means of communicating with one: do you not think it would be advisable to have telephonic communication with Kawhia?—It would indeed. We would have had the matter up at our meeting only we did not know it was within the scope of the Commission.

17. Would it not be advisable for the Government to take steps to conserve some of the beautiful scenery we have seen to-day, say in the Rakaunui arm of the harbour?—I certainly think so.

18. *Mr. Forbes.*] What is the price of your land?—The capital value is 10s. an acre and we pay 5 per cent. on that, which is about 6d. an acre.

19. *The Chairman.*] Do you think it would be better for the Government to do the roading of Crown lands before throwing it open for settlement?—Not necessarily, if only they make a start as soon as possible after the land is open for selection. Some of the settlers might like to get work on the roads. Let the improvement clauses be optional—at any rate, till a 6 ft. track comes up to the section.

20. *Mr. McCardle.*] Is it not a fact that when the Government start to make a road, say ten miles in length, the mile first constructed is often in an impassable state before the last mile is made?—Yes; I suppose it would be a case of the settlers looking after that road themselves as we do.

ALFRED WHITMORE BABBAGE examined.

21. *The Chairman.*] What is your holding?—1,177 acres under occupation with right of purchase.
22. Do you agree with all that has been stated by Mr. Humphrys?—I do.
23. Is there anything further that you wish to bring forward?—Nothing, except to impress upon the Commission the way in which we are treated in the matter of roads. That is what has kept back our settlement more than anything else.
24. Are you satisfied with your tenure?—Quite satisfied.
25. *Mr. Forbes.*] Is the land changing hands in the district to any extent?—Not much. I think only one or two sections in our valley have changed hands.
26. Then you would not say that the land here is held for speculative purposes?—I should think not.
27. You think that it is genuine settlement all round here?—Yes.
28. Are there any persons holding land who are not residing on it?—Only about two.
29. Is it reasonable to think that they will reside on it?—I think they will when they get a road to their section, but they say they will not till then.
30. Do you agree that the residential conditions should not be enforced till decent means of communication is afforded?—I think the Government should put the roads in at once.
31. Of course you paid the loading from the commencement?—Yes; that is why I say the Government should start to put a road through within a reasonable time.
32. *Mr. McCardle.*] You have been a heavy loser for want of a road. I suppose that other settlers have also lost considerably both in bringing in and inability to take out stock when it was ready for the market?—Yes.
33. Do you think that the State would lose anything through the freehold being granted to lease-in-perpetuity settlers?—Certainly not.
34. Do you think it would improve the condition of the settler who is holding the land?—I do think so.
35. Is the land here of good quality?—Yes.
36. Are not the settlers on the block making improvements far beyond the requirements of the Act?—I think they have all done more than is required of them.
37. And have they not had great drawbacks in the way of bad burns?—Yes; they have often been put to double expense in clearing.
38. When valuations are made for the Government do they embrace all the improvements effected on the land?—No.
39. Does the valuation amount to half?—I do not think so. For instance, the improvements I am credited with do not amount to half what I have spent on the place, taking no account of my own work, and that is the general experience.
40. *Mr. Matheson.*] Do you get your stores up by the Te Awaroa River?—Yes. We were going to take stores back to the sections to-day, but we find that we could not even take back unloaded horses. We shall have to walk through the bush.
41. Approaching from the railway side what is the length of the cart-road towards your place?—I do not think there is more than six miles of cart-road. Then comes about nine miles of 6 ft. track, and the rest is solid bush for about sixteen miles.
42. Are you satisfied that the whole of your loading has been spent?—We can only judge from what we see on the road, for we know of nothing else. It may have been spent somewhere else, but that is no good to us.
43. You believe that you are paying interest to the Crown on money that has never been spent on your behalf?—I do believe that.
44. *Mr. McLennan.*] Have you had any communication with the Land Board with regard to the spending of your "thirds" or your loading?—Yes; I have written to the Land Board and this is the reply I have received:—

"Department of Lands and Survey, District Office, Auckland, 13th September.

"Re *Loading of Hauturu Block.*

"In reply to your letter of the 31st ultimo, I have to state that all information connected with the loading of blocks should be obtained from Mr. T. Burd, District Road Engineer, Te Kuiti. He has entire charge of the expenditure of the money with which the various blocks are loaded. This Department has nothing whatsoever to do with the expenditure. The Hauturu Block carries a loading of about 3s. per acre, and Mr. Burd will be able to give you any further information you may require.

"JAMES MACKENZIE,

"To Mr. A. W. Babbage, Hauturu."

"Commissioner of Crown Lands."

45. Did they give you no account of how the loading was spent?—I did not ask that.
46. What has become of your "thirds"?—That is what we should like to know. We have letters from Mr. Burd, who is practically our local body, because he represents the Government in the matter, and he says that our "thirds" are all expended. He did not say where. At one time some surfacemen were employed, but that would not take much.
47. *Mr. McCardle.*] Is it not a fact that though the loading is done by the Board the Public Works Department has the expenditure of it and the Board has no knowledge what becomes of it?—Yes.

GILBERT MACDONALD ROBERTSON examined.

48. *The Chairman.*] What land do you hold?—784 acres of occupation with right of purchase.
49. Are you satisfied with your tenure?—Perfectly satisfied.
50. You have heard what has been said by the last two witnesses?—Yes, and I agree with them entirely.

51. *Mr. Forbes.*] What is the price of your land?—10s. 6d. per acre. That is about the general price of land here.

52. Is it good land?—Very good land of its kind.

53. Does it take the grass well?—Yes, when you get to the land. After you clear the bush there is a great deal of peat in this country, and you have to get rid of that before you can grass. Sometimes it takes about two burns before you get through the peat and down to the lands. In some places this peat is 3 ft. thick.

54. Is much of your land cleared?—About 180 acres.

55. What is the price of bushfelling about here?—It varies from about £1 2s. 6d. to about £1 10s. an acre.

56. *Mr. McCardle.*] I suppose the track to your block is not more than passable for packing just now?—It is not passable. All the settlers who live beyond me will have to leave their horses at my place to-night and walk home.

57. If the settlers had good treatment in regard to roads, is there not much land in the valley that would be used for dairying?—I believe it would.

58. Would you approve of the number of members of the Auckland Land Board being increased, and if the difficulties in regard to an elective system were found insurmountable, would you approve of the nomination system which I mentioned to Mr. Humphrys just now?—I should think so.

59. *Mr. Matheson.*] On the original litho. plan of the block, was anything said of the intention to form the roads?—No.

60. In the event of a road being formed here, is stone available for metalling?—I believe there is very good rock in handy places on the hillside all the way along.

61. How much would it cost per mile to make, say, a 16 ft. or 12 ft. road?—I cannot say other than what Mr. Humphrys said—that Mr. Scott gave a rough estimate of about £2,000 for putting the road through Te Koraha, eight or nine miles from here.

62. If that was formed, would it be necessary to afterwards form any expensive extension?—The Kaimanga Road would suit us best.

63. *Mr. McCardle.*] How many miles would it take to bring up the Hauturu Road?—About a mile has been formed now, and I suppose four or five miles would finish it.

64. Do you not think that in view of the possibilities of the tourist traffic to the Waitomo Caves the Government should put a road through to the harbour from the Hanganatiki Railway-station?—I certainly think so.

65. Would it not be a colonial road in every sense of the word as well as a road in every way useful to settlers?—I do not know where it would come to but I am certainly in favour of a main road being made through from there.

66. Is it not a most feasible one in view of the depth of water available in the Te Awaroa River as compared with the Kinohaku for instance?—I believe it would be the shorter route.

67. *The Chairman.*] Is there any other matter you would like to mention?—I would just like to mention a conversation I had with Mr. Burd one night when he was here. I asked him what had become of the money we had paid in loading, and he said that it had all been spent in giving us access. I asked him where our access was, and he said we put it on the Hauturu Road. I answered him, "But we have no access here." "Well," he said, "you see it is all through Native land."

68. *Mr. McCardle.*] Do you know that a road has been made from Hauturu to Otorohanga and there are practically no settlers on it, and that the road is overgrown with trees?—That is quite possible. Possibly that is where our roading went. At one time I came in here with 152 sheep. One stretch of four miles from Kauri Creek took us from daybreak till 9 o'clock at night. When we finally got through the sheep were so exhausted that they died like flies and only fifty-two survived out of that 152, and all this for want of a road.

HENRY HERSCHEL BABBAGE examined.

69. *The Chairman.*] What are you?—I am a settler, holding 1,002 acres of land under occupation with right of purchase.

70. Are you satisfied with the tenure?—Yes, perfectly.

71. You have heard what has been expressed by the previous witnesses. Do you agree with all they have said?—Yes.

72. Is there any fresh matter you would like to bring forward?—I should like to say I left home at 7 o'clock this morning to come here for the purpose of giving evidence; and at the first place Mr. Humphrys has described in the river I went in over my knee-boots, and at the next place I had to swim nearly a chain. That is the sort of road we have to take stock up and take our supplies over.

73. *Mr. Forbes.*] You think there is a possibility of taking a road up there?—Yes, it is quite an easy grade.

74. What hope is there that a road will be made? Have you been promised anything?—Only broken promises.

75. Has your member done anything in the matter?—Yes, he has been doing all he could, but it has led to nothing. For instance, with regard to the bridge, they gave as an excuse that there were no workmen available. I came in here and asked Mr. Gray whether he would do this formation-work, and he said he had a gang ready for it. Mr. Lang then communicated with the Minister and asked that it should be done, but the gangs have gone on, and by this time the place will be up to our necks in mud.

76. *Mr. McCardle.*] I suppose it is impossible to get fat stock out along that road?—You might start with them fat, but they would be stores before you got them out.

77. And the demand for stores is not now sufficient to make that pay?—No.

78. *Mr. Matheson.*] Do you know this Otorohanga Road, which has been made and which has grown up again in scrub?—Yes; there is sixteen miles of it; it was a 4 ft. 6 in. track.

79. Was it made to give access to some land to be opened up?—There were only one or two sections along it, I believe.

80. Do you know whether any of your loading went to make it?—I do not know.

81. Do you know that so soon as you get a local body you can raise a loan to make roads and can use your "thirds" to pay the interest?—Yes. There is one other thing I should like to say. It is with regard to our loss on sheep in bringing them in. If I had got all my sheep in it would have meant a difference to me of £200.

82. It resulted in that amount of loss?—Yes.

83. *Mr. Forbes.*] Have you much stock on your place now?—Sixty head of cattle and about one hundred sheep, but I intend to get more shortly. If we get stuck in trying to get the stock in we have just to let them stay there and starve.

84. *The Chairman.*] There is a lovely scenic spot we passed in coming here today. Do you know whether it belongs to the Government or the natives?—I do not know.

85. Do you think the Government would be right to reserve that for scenery purposes?—Certainly.

86. Is there anything more you wish to say?—Nothing, except that I should like to see the Commission make an effort to get up the river to-day.

KAWHIA, SATURDAY, 3RD JUNE, 1905.

GEORGE HENRY MACKENZIE examined.

1. *The Chairman.*] Are you a landholder in this district?—I hold about 400 acres of land at Oparau under occupation with right of purchase.

2. Is there any special matter you wish to bring before the Commission?—No, but I am prepared to answer any questions.

3. *Mr. Matheson.*] Have you had any dealings with the Land Board?—Only in regard to the transfer of my own section.

4. Have your dealings been satisfactory?—Very satisfactory.

5. Have you had any experience of the Advances to Settlers Office?—Yes; I think it has been a good thing. It has been the means of lowering the rate of interest all over the colony.

6. Does your holding touch Native lands at all?—I have a Native lease alongside of me now. I am trying to get it fixed up, but it is a very cumbersome business. I think the Government ought to identify the Native lands so that they could be dealt with. It would save a great deal of trouble and expense.

7. Do you think the Natives would be content that the Government should take over their lands and deal with them, the proceeds to go to the Natives?—Yes. The Natives would get their rent, it would save time and trouble, and the country would be settled.

8. You do not think that some of the Natives would be annoyed at the Government taking over their lands to administer in that way?—No. I think they would be just as pleased as the Europeans.

9. *Mr. McLennan.*] What kind of roads have you in your locality?—The road to my section is a little better than in other places, but the roads about are really only mud flats.

10. Has there been any money voted for your roads?—No. There has never been a man working on the road there. If we want to do anything we must do it ourselves.

11. You do not pay any rates at the present time?—No.

12. *Mr. McCardle.*] There has been a suggestion made that the Land Board should be made more representative, and some people have advocated that some of the members should be elected and that the rest should be appointed by the Government. Further, that the number of members should be increased from four to seven. Do you think it would suit the requirements of this large district if the Land Board was increased from four to seven members, and that some one having experience of the requirements of this particular district, for instance, should be appointed to represent the settlers here?—I think it would be a very good thing, because I think the settlers then would have some chance of getting fair play.

13. What is your opinion with regard to tenure as applied to bush settlement?—I would give every man the option of purchase.

14. Do you think that those people that hold land under the lease-in-perpetuity tenure would be agreeable to paying 1 per cent. additional from the time they took up their lease—that is, the difference between the lease-in-perpetuity and the occupation-with-right-of-purchase tenures—if the Government granted them the option of purchase?—Yes. I think that would be a fair thing.

15. We have been anxious to discover where the unearned increment comes in in country districts?—I have seen very little where I have been.

16. Do you think if a settler, after having spent his time and labour on his holding, would, if he were given valuation for his improvements, get anything like what he had put into his land?—I consider the Government valuations are only about one-fourth of our improvements.

17. You have noticed, no doubt, that at meetings of the labour party in the cities, recommendations have been made that there should be revaluation of leases in perpetuity on the death of the present holder or on transfer of lease?—Yes.

18. Do you think that, if that were granted, any benefit would be likely to accrue to the workers in the cities?—Not the slightest.

19. What is the number of your section?—Section 2, Block VIII., Kawhia North; it contains 377 acres.

20. If the roads were made in the district, is there anything to prevent the settlers establishing dairy factories, and assisting to push on the progress and prosperity of the colony generally?—No, we could do anything if we had roads.

21. *Mr. Forbes.*] Is not the question of roads more important even than the question of tenure?—I do not know about that, because if a man cannot get any money on his land he is stuck.

22. If proper road access were given, would not business men be more inclined to deal with the settlers than they are at present?—Not under the lease-in-perpetuity tenure. There seems to be no confidence in the leasehold tenure, and it is that tenure which has kept everything back.

23. Are most of the settlers under lease in perpetuity then?—We have the land under occupation with right of purchase, but there is very little security in that until we can get the freehold; people will not lend money on that.

24. Are the settlers about here in a position to buy their places straight out at the Government prices?—Yes; I would buy to-morrow if I were given the opportunity. We have to wait for ten years before we can purchase, and I think everyone ought to be allowed to get his freehold as soon as he wants it.

25. Is it not necessary that there should be residential conditions?—No, not unless you make the roads.

26. Do you agree that there should be residential conditions in force after the roads are made?—Yes.

27. If people were allowed to get their freehold straight away, would that not be opening the door to speculators coming in and buying up sections, and holding them until they increased in value?—Yes, I suppose you must impose residential conditions.

28. Although the land was bought?—Yes, it would prevent people from speculating; but the roads should be made first.

29. You agree, I suppose, that there is such a thing as unearned increment in the cities?—Yes, that is a different thing altogether.

30. Do you not think that the lands in this district are increasing in value?—They are going back in value. There was a great rush at first, but now I could buy my place cheaper with the improvements upon it than I bought it originally.

31. Is any land bought straight out for cash?—There is only one place, I think, and that is Rakanui, and there are some freehold sections in the township.

32. What has made the land go back in value?—There was a boom here about the year 1883, but the place has not gone ahead as people expected, and values have gone down.

33. Do you consider it an immediate necessity to get a good road from here to the railway?—I think it would be better to carry a railway through, and it would be cheaper in the long-run. It would open up the whole of the Waikato to this port, and would do the whole district a great amount of good.

34. *Mr. McLennan.*] I understand you have come from the south?—Yes, Tapanui.

35. Do you know anything of the position of the Crown tenants under lease in perpetuity on estates purchased by the Government?—Yes, I have heard of the far famed Pomahaka Estate. The tenants have been growling and kicking up a row with the Government ever since they took up the land.

36. That is only one case: do you know of any other estates taken up by the Government for settlement in the south?—No.

37. *Mr. Forbes.*] In the case of Pomahaka, do you think the Government would be justified in reducing the rents to the tenants there?—No, because the people there are no good, and that is why they are always growling. The few good ones are doing well.

38. *Mr. McCordle.*] Do you know the people on the Pomahaka Block?—I know some of them.

39. Do you know Donald McGregor, who has been on the land from the first and who is the only man that has fulfilled all conditions as to payment of rent, &c.?—I do not know him very well.

40. *Mr. Matheson.*] You suggest that the right of purchase should be given, but that when the freehold is obtained the Government should insist on residence?—Yes.

41. Do you realise the difficulty there would be in the way of insisting on freeholders residing on their property?—Well, make it deferred payment, which is about the best system we have had in the colony yet.

42. So that the freehold would not be obtainable until after a certain time?—Yes.

43. Is that not the position you are in at present?—Yes, I suppose it is.

44. *The Chairman.*] Is it not a fact that once the freehold title is given you cannot make conditions?—Is that so; I was not aware of it.

45. Is the existence of large blocks of Native lands in this district against settlement?—Yes; the trouble is that the lands have not been identified. I think the best way out of the difficulty would be for the Government to take over the land and act as trustees for the Natives, and then sell or lease.

JAMES EDWARD SCOTT examined.

46. *The Chairman.*] Do you hold land here?—Yes, I hold 130 acres of freehold on the south side of the harbour.

47. Do you occupy it?—Not at present, but I have improved it.

48. Is there any matter you wish specially to bring before the Commission?—Yes, I have a communication which I should like to read. It is as follows:—

I respectfully beg to submit to you experiences I have had with the Wellington Land Board, and give them as reasons, why for the future, I prefer the option of the freehold. During the month of March, 1896, I purchased Mr. F. Help's interest in Section 58, Block XVIII., Mangatainoka, consisting of 20

acres, Village Settlement, for the sum of £320 cash, and took up his obligations with the Government as follows : To pay 5 per cent. on upset value, £20 ; also on £20 advanced to the first tenant to build a whare (I believe that I was the seventh occupier) ; also 5 per cent. on a further £50 advanced to a later tenant by the Advances to Settlers Office. I then entered into possession of the place, renewed the house (six roomed), refenced the whole section, drained a large portion, planted an orchard, &c., totalling an expenditure of £150. During this time, I followed the occupation of general contractor. About 1898 I was interested in the construction of a bridge across the Rangitikei River, which would necessitate my absence from home continuously for nigh on two years. I therefore made application to the Land Board to lease property till the completion of this work, so that I may have my family residing with me. I was informed it was contrary to the Act to lease, but I might put in a caretaker, and lease the grass. These conditions I complied with. At the end of twelve months I received notice to return or transfer to some eligible person ; not being in a position to return, I placed the property in agents' hands for sale, and agreed to take a price much below what it cost when the house, which was unoccupied, was burnt, only £100 insurance being on it ; this caused the sale to fall through. The Commissioner of Lands then lodged a caveat of £20 against the insurance. I took exception to this, taking legal advice, but was advised that although the claim was not legal, in view of my wishing to get a transfer, it would be policy to pay this claim. Note, I insured of my own free will, not being compelled to do so by the Board. On the 9th May, 1901, a sale of my interest was effected to another person at £208, two-thirds being left on mortgage. This same mortgage, which my solicitor desired to register as a second mortgage on the property, was objected to by the Commissioner until the £50 had been repaid to the Advances to Settlers Office, which had to be complied with before this business could be wound up. A digest of my case is this : I paid cash to enter, £320 ; expended on property, £150 ; total, £470 ; sold or sacrificed the property (chiefly mortgage), £208 ; balance from insurance company, £80 : direct loss, £182. A second mortgage had been taken up on this property several times prior to my application. My only wish in taking up this place was to make a home for my family ; I could not make a living out of the place, and obstacles were put in the way of making one away from the place. If my case is singular, I do not know where I have erred unless by the way of occasional criticism of the actions of Land Board members. But, after one experience such as the foregoing, I have no wish to take up another of the so-called working-men's homes. Another matter I feel very strongly upon is this cry about the unearned increment. After some twenty-five years of actual pioneering, I have come to the conclusion there is no such thing so far as bush settlement is concerned. When you take into consideration the isolation for women and children, the roads (forgive the name), want of schooling and social intercourse, the ruinous cost and destruction of property entailed by use of pack-horses, also the sacrifice of health (and sometimes life) by overwork and anxiety to keep a family from actual want, I feel and know that the settler deserves more assistance in the matter of roads than is ever accorded him. I admit there are exceptional cases, when a speculator draws the picked section of a block and transfers it at a profit, but when dealing with any business whatever, it is necessary to average the extremes. Therefore, on the other side, you take the man, oftentimes with wife and young family, large in hope, health, strength, and small in capital, who builds himself a whare, has two meals out of three by candle-light so that he may push his work, works wet and fine, and carries in on his back, very often on Sunday, food for the week. Waiting patiently for years for the road that was promised him at the ballot, but which never arrives, until too late and until the man is forced off by bad burns, loss of stock, and ruinous cost of access. Prematurely old, broken in health and spirits, and bankrupt in pocket, soured and pessimistic. If he has not been able to transfer his wretched interest, the Land Board may protect them carefully and inactively, until they disappear under second growth, before the section is again allotted. Therefore, I am of opinion, taking the fortunate and otherwise on an average basis, the unearned increment is only a myth. Those that do not think so should put the strength of their convictions to the test and try it. I intended to ballot for a section on the south side of the harbour, but when the option was withdrawn I cared not to, lest I fell into the hands of another Wellington Land Board. But I will say, in justice to the Auckland Board, that what I have seen of their administration leans to the side of mercy, and I believe their sympathies to be with the struggling bush settler.

49. *Mr. Matheson.*] Do you consider that the Land Board did all for you that the law would allow ?—I am not conversant with the law, but I suppose it must be so.

50. What is your chief objection to your treatment by the Land Board ?—I wanted the place as a home, and the Government forced me to sell it at a loss of £200.

51. Do you feel that your difficulty has been because of the law or because of the administration of the law ?—I do not know how far the Board could have stretched a point to assist me, but if the law would not allow them to do so then I consider the law is not in the interest of settlement.

52. You think that in such circumstances as yours a man is in a better position if he is enabled to get a title ?—Yes ; the chances are that if I had been able to get my title I should have still been on that section, but as it is I was forced to leave and come up here.

53. Regarding the right of purchase to their tenants : do you think the State will be doing justice to the city dwellers who have an interest in these estates ?—Certainly : the city people cannot take the land with them when they die, and it is always there to be taxed. It is merely a question of sentiment on the part of the townspeople.

54. Do you think the land is made better use of under the freehold tenure ?—Most decidedly.

55. And you think the townspeople will benefit in the long run ?—Certainly I do.

56. *Mr. McCardle.*] You have had a long experience in the Wellington and Canterbury Districts as well as this ?—Yes, some twenty-five years.

57. In your opinion is the desire for the freehold a mere matter of sentiment, or does not the freehold enable settlers to be more successful on their land by enabling them to purchase stock and so forth by means of borrowing ?—Yes.

58. Is it your experience that, as a rule, in a district like this the capital value of the land is a mere bagatelle in comparison with the improvements placed on the sections?—Yes, that is so.

59. And if a man had been in a position to improve his land well the mere matter of purchase to the Government would be very little?—I think so.

60. Has your experience of the Auckland Land Board been better than of the Wellington Board?—Yes; I am quite satisfied with the Auckland Board so far as they are concerned.

61. With regard to the constitution of Land Boards, as you are aware, there are only four members for a large district like Auckland: do you think it would be wise to increase the number to, say, seven, so that as far as possible each part of the district should have a representative on that Board; and that a bush district like this should have some direct representation?—I should like to see the farming community have a voice in the election of two or three members out of, say, seven or ten, the remainder to be nominated by the Government.

62. Do you not think that a system of election would be rather difficult to carry out in a district like the King-country, for instance. Are there many men who would be in a position to go over such a constituency and make themselves acquainted with the settlers and their wants?—We could not expect a man to incur any very great expense over an election, but I should think the Boards might be elected on very much the same lines as Education Boards.

63. Then you would have to place it in the hands of the Roads Boards or the County Councils?—Well, we find that the men nominated are out of sympathy with the farmers altogether, and they do not give the necessary time and trouble to the business. We want a man to represent us who is conversant with the troubles of the farmers and the needs of the district.

64. Suppose the settlers were asked to send in the names of suitable men and the Government made appointments from among those names?—That would be better than the present system.

65. Do you think it would be a good thing if an amendment were made in the Land Transfer Act to limit the amount of land that any one man could hold?—Yes.

66. Would it not prevent the aggregation of large estates?—Yes; but in any case I should insist on a certain amount of improvements being done before a transfer could be made, so that the land would not be held for speculative purposes.

67. *Mr. Forbes.*] Have you had any experience of land-settlement under lease in perpetuity on the estates acquired by the Government?—No, I come from Banks Peninsula, which is entirely freehold, and it is one of the most prosperous places in New Zealand.

68. Do you say that settlers on the improved estates purchased by the Government would not go on improving unless they got the freehold?—My remarks applied only to bush land.

69. Are not the people on Banks Peninsula very dissatisfied with the way in which the land is held there?—I think not.

70. We have had evidence that three families there were holding a large portion of Banks Peninsula?—That is the trouble of large estates. It may exist there to some extent. The room for settlement is very restricted.

71. Should not something be done to cause these estates to be cut up for closer settlement?—Perhaps so; but the prices are too prohibitive altogether. I have always been strongly opposed to the taking over of estates while the Government has so much Crown and Native land still to be dealt with. This land on Banks Peninsula would fetch from £10 to £20 an acre. Well, the owners of those places must be producing something to be able to hold on at those prices; but here we have thousands and thousands of acres of waste land lying unproductive, and I think the Government should have them opened up and settled before they buy any more improved estates.

72. Do you agree with the previous witness that land values have gone back in this place?—That only applies to the freehold property in the town. Fabulous prices were originally paid for town sections in the anticipation that the land in the district was to be thrown open for settlement. As it is they are only just beginning to open the land now.

73. As to the land you took up, was it originally under occupation with right of purchase?—No; it was an old title granted to William Johnston many years ago.

74. Did you buy it from him?—Yes, or rather from the Public Trustee, who was holding it on behalf of his heirs.

75. Was it improved?—No; it was all overgrown with a second growth of briars and weeds.

76. Did you pay more for it than you would have had to pay for Government land alongside?—Yes. I was prepared to pay the extra cost because it was a freehold and I could go from it whenever I wished.

77. *Mr. McCardle.*] Do you think the country can progress properly until there are regulations framed for dealing with Native lands?—No. It is a great clog on us to-day. We shall have to make roads out of loans to local bodies and carry those roads miles through Native lands, and it is bad enough to have to carry them through our own. I know the Natives are just as dissatisfied with the present position of things as Europeans.

78. Are they not almost in a state of dependence of relief from the Government?—I believe many of them are receiving old-age pensions.

79. It has been argued that the Natives would become paupers if the Government were to take over the administration of their land?—They are almost in that condition to-day.

80. *Mr. McLennan.*] There are no Crown lands in the South Island available for settlement?—I suppose not.

81. Is it not a fact that there are many good farmers in the South who would perhaps make very poor settlers on bush land in the North?—The settlers who have come up here from Banks Peninsula have been the most successful settlers that I have met with in the North Island.

82. Supposing they did not wish to come to the North Island, would it not be advisable to acquire some areas of land for settlement in the south where the people there would know the conditions and

know better how to farm it?—That may be so, but many of us have to do things we do not like, and I question whether it would be a good thing for the Government to take over these estates with the chance of there being thrown back on their hands.

83. How many estates that have been taken have been thrown again into the hands of the Government?—I do not know from my own experience, but I believe some of them have been.

84. *The Chairman.*] In regard to the question of unearned increment, about which we have heard a great deal: if settlers go into the back blocks and fell bush and grass the land, and rate themselves for roads, and undergo half a lifetime of privations and hardships, and if their land increases in value, who do you think is entitled to that increased value, the pioneers or somebody who never went near the land?—I should say the pioneers.

85. Felling bush, and grassing land, and fences, and buildings may be visible improvements, but are there not other means of adding to the value of that land which may not be visible: may not settlers combine and erect creameries and factories and other public conveniences which greatly enhance the value of the land?—Yes.

86. Do you think it is the settlers who have accomplished all this who are entitled to what is called the unearned increment?—I consider it is the settlers.

87. *Mr. Matheson.*] Would you go further than that and say that the great increase in the value of city properties is also due in the first instance to the industry of the country settlers?—Most decidedly. The cities could not exist without the country. Whenever there is depression in the country it is immediately reflected in the cities.

FREDERICK ALEXANDER PEARSON examined.

88. *The Chairman.*] What are you?—I am a settler. I hold 1,452 acres under occupation with right of purchase.

89. Are you satisfied with your tenure?—Yes.

90. Is there any matter you wish to specially bring before the Commission?—I want to say I am strongly in favour of the freehold. I think a district is much more prosperous under a freehold tenure or under occupation with right of purchase, which is practically freehold. I think there are many things against the leasehold. I find that all the settlers in these blocks, or wherever you go in the North Island—I do not speak of the South Island because I do not know much about it—are all anxious to obtain the freehold. They want the right to convert into occupation with right of purchase. I think the occupation with right of purchase is a good tenure for a man with a small capital, because so long as he knows he can obtain the freehold he is satisfied. There is one thing against the lease in perpetuity—I know it is looking a long way ahead—and that is that there is no compensation at the end of the lease. I also understand there is a great drawback in the lease in perpetuity, inasmuch as it is difficult for a man who wishes to divide his property amongst his family to do so. I would also like to say that the Native lands in this district are a great drawback. I think most of the Natives at the present time could deal with their own lands. They can make quite as good a bargain as Europeans, and I think if they were allowed to deal with their own lands it would be far better than leaving things as they are at present. I am certain the Native Councils are a failure. It is too expensive and takes too long to get land put through them. My experience is that it is almost impossible to get land through them. I am not prepared to suggest any remedy at present. That is a matter for the country to decide. I think the Advances to Settlers policy is very good so far as it goes, but I think the Government might go further than they do. I do not think the Government are sufficiently liberal in their advances to men who go into the back blocks. I think when men are prepared to go into the bush without roads or schools, or any of the other conveniences of civilisation, and when the Government see they are genuine settlers, that the Government should be prepared to help them by advancing money for bush-felling and grassing. If that land is brought into grass the country will be improved and the Government could not lose on the transaction if reasonable care was exercised in making the advances. There is another thing I have noticed in connection with the Commission, that men in the towns with very little land or with no land at all have been giving evidence on the question of country lands. I do not consider they should have any voice in the administration of back-blocks land. I reckon they do not know how the back-blocks people live. They are living in luxury in the towns, while the poor beggars here are merely existing, without schools or roads or conveniences of any kind. I think if these people in the towns had experience of bush life they would not object to giving the settlers the freehold.

91. *Mr. Matheson.*] Do you think the labouring man in the city has any interest in the Crown lands in the colony?—I think if it were not for the Crown lands, and the settlers going back and settling on them, the labouring-man in the cities would have very little chance of living. I think they have very little interest in the Crown lands. The only interest they have is that they look forward to the country going ahead to keep them in the towns.

92. Are the Crown lands of the colony a valuable asset?—I think so.

93. And has not the labouring man an interest in them?—I reckon the man who goes into the country and improves them has an interest in them.

94. The Crown tenants on the improved estates in the South Island would like the right to acquire the freehold, if they are willing to repay to the Crown all that the Crown has expended on these estates, do you think it would be a benefit to the colony to give them the right to acquire the freehold?—I do. I think every man should have the right of acquiring the freehold.

95. How do you think it would benefit the colony?—I think a man going on the freehold would improve it with more heart than a man going on leasehold.

96. *Mr. McCardle.*] Have you any buggy road to your farm?—No; I have not even a track, and I have held the place for five years.

97. Some of the settlers take advantage of your place to get to the other settlements?—Yes.

98. Do they get their cattle through?—No; they get them bushed and lost on the journey.

99. Have you had any experience of the Land Boards?—Yes; in Auckland and Taranaki.

100. Have you found the Auckland Land Board satisfactory?—Yes, it is the most satisfactory Board I have known.

101. The suggestion has been made that this district should be cut off the Auckland Land District and added to Taranaki: do you think that would be in the interests of the settlers?—I do not.

102. Do you think it would be an advantage to this district if an increased number of members were appointed to the Board in view of the fact that the provincial boundaries are so extended?—Yes, I believe in the districts being properly represented on the Land Boards.

103. You think the King-country and these other districts should have a member on the Land Board who is personally acquainted with the conditions of settlement round here?—Yes.

104. Do you know how the Advances to Settlers Board are working in the interests of the settlers? Has their policy been generally satisfactory?—It has been satisfactory so far as it goes, but it does not go far enough.

105. Do you know of settlers who have applied for loans on substantial improvements on lease-in-perpetuity sections and been refused?—I have heard of such cases, but I have no personal knowledge of them.

106. Do you consider the present system of constructing roads is a satisfactory one?—No; it is most unsatisfactory.

107. Do you think it would work better in the interests of the settlers if the Government did away with the present system of special votes by Parliament and granted subsidies in deserving cases such as this, where the people were prepared to help themselves by raising loans of £2 for every £1 raised by the district?—It is a big question.

108. Can you propound any other system that is more feasible?—No. It is a big question to go into; I do not know how it would act.

109. You have been advocating the bringing into operation of the Counties Act in this district so that you can have control of the expenditure of your "thirds," and some of the settlers have been advocating the raising of loans and paying the interest and sinking fund out of these "thirds": do you not think it would be better if that proposal was adopted, and the Government advanced us £2 for every £1 so raised, than to continue the present system of special grants?—Yes, I would be in favour of that policy.

110. *Mr. Forbes.*] In regard to your suggestion that the Government should make grants towards bushfelling, has anything of that sort been done in this district?—I do not think so, barring in the case of the special settlements such as Te Rau a Moa.

111. Was that settlement a success?—I do not think it was, because they did not get the right class of people in. Otherwise it would have been a success.

112. Do you think it would be better for the Government to provide good roads to give the settlers a means of getting their stock in and out before opening these blocks for selection?—That would be a big help to the settlers. It is impossible for the settlers to prosper without roads in these back blocks.

113. You have no local body here and have not paid any rates so far?—No; we have been fighting for a county for some two years or more, and I believe it has just been gazetted as a county now.

114. What was the opposition to this county coming into force?—The opposition came from the settlers about the railway at Te Kuiti and Otorohanga.

115. When the county is formed do you think the settlers will be prepared to rate themselves and do something on the roads?—I am certain of it. Of course they expect the Government to help them a bit with the main roads as the land has already been loaded for roading.

116. And has that money not been spent?—Part of it has been spent and squandered. It has not been profitably spent.

117. How has the road work been done?—I think mostly by co-operative labour and contracts.

118. By men from outside districts?—Some of them, and some of the work was done by the settlers.

119. How do you think the "thirds" could be better expended?—I think if the county administers them and tenders are called, and the works are properly looked after, that it will be done cheaper and better.

EDWARD CHARLES FALWASSER examined.

120. *The Chairman.*] What are you?—I am a licensed interpreter and Native agent. I hold a small area of land under the village homestead system. I am not here at all to state my opinions on the question of land tenures. I would like to make a few remarks in regard to Native land administration. I have had considerable experience in dealing with Native lands. I have no hesitation in saying that the present system is a farce. It is detrimental to the colony and to the present Administration. I have nothing to say against the Maori Councils themselves. If they were allowed to work in their own way they would be quite satisfactory. The trouble is caused in Wellington, where everything has to be sent to be laid before Cabinet. There, questions are hung up for months. It seems quite impossible to get anything through Cabinet, and this delay is detrimental both to the Maoris and settlers, and the district is kept back. We have thousands of acres round the Kawhia Harbour which are at present lying idle, owing to the way the law in regard to Native lands is now administered. The presidents of the Councils are not even allowed any discretionary power. If the Councils had discretionary power, I believe the system would work all right. I know most of the Native owners of the lands round this district are living in the King-country and are not likely to do anything with them under the present state of things. The Natives are quite ready to deal with the lands if they were allowed to do so, and I could get tenants who are prepared to pay higher rents than the Government valuations. Yet we

can do nothing with these valuable lands, and they are being covered with noxious weeds and other rubbish.

121. Do you think the Native-land titles should be individualised?—I certainly think so.

122. And after certain lands have been reserved for their own use for ever, you think the Natives should have power to dispose of their surplus lands under proper conditions?—Yes.

123. *Mr. Matheson.*] You think the Native Councils should be final, and should have power to definitely deal with the land after their investigations?—Certainly.

124. *Mr. McCardle.*] Could you make any suggestion that in your opinion would work out better in the interests of the Natives and settlers generally than the system which now exists?—It is rather a big question, and I should not like to formulate a policy at once.

125. Do you think if the Government took over the whole of the Native lands and gave the Natives in particular localities, or wherever they desired it, sufficient land for their own requirements, and then dealt with the balance of the lands, granting the Natives colonial debentures instead of cash as at present, that would work better in the interests of the Natives than the present system?—I should certainly not approve of that.

126. Would you approve of the principle that the Natives should have the free right to deal with their surplus lands by way of sales to Europeans, such sales to be under the supervision of some Board to see that the Natives were not taken advantage of?—Yes, I should certainly approve of that.

127. Is it not a fact that under the present system of dealing with Native lands the expenses are so enormous and the delays are so great that the settlement of such lands as those round the Kawhia Harbour is debarred?—It is.

128. Is it not a fact that the Natives are now combining to send petitions to Parliament asking for some modification of the present procedure of dealing with applications in regard to Native lands?—I think so in the Te Kuiti district, but not so far in this district.

129. *Mr. Forbes.*] Do the Natives show any tendency to do any farming with their lands?—Not the slightest.

130. We have been told that they went in for wheat-growing once?—They did in the old days, but not now. They used to export a great deal of grain in the old days.

131. *Mr. McCardle.*] If the Natives desired to do so, have they the means to farm their lands?—I do not think so.

132. *The Chairman.*] Do you think the fact of such a large extent of land being tied up here is a great bar to the progress of the country?—I have not the slightest doubt about it.

CHARLES CAMPBELL JENKINSON examined.

133. *The Chairman.*] What are you?—I am a duly qualified medical practitioner, at present practising in the Kawhia district.

134. Is there anything that you wish to bring before the Commission?—I wish to speak in regard to the question of "thirds." Whilst several settlers have spoken as to their individual districts, I, as the medical man, have to travel over the whole of the district, and I can speak for the whole of it. I say that no matter how you may stretch your imagination you cannot say there is a single road in the district; and, therefore, no matter what faith the settlers had when they came here, they have not a single road according to the definition of a road as given in any ordinary dictionary. The dictionary says a road is a means of communication from place to place. I can safely say, without fear of contradiction, that there is not existing in this district at the present time a means of communication between one place and another. We have tracks that begin at one place and end nowhere, and more often they begin nowhere and end nowhere. I will agree that we have one piece which even the Government engineers and officials call a 6 ft. track—they have not the impudence to call it a road—and that is the track that you travelled over on Wednesday, and which you will have the privilege of travelling over again to-morrow. It begins at the railway and ends at the ferry at Oparau, where we have to wait for the tide. What good is that to the settlers and to me, who have to visit the districts, when we have to wait for the tides? It is far better to get through the bush by the tracks of the settlers than by the road-lines, and yet when the engineers start constructing the roads the first thing they do is to fell trees on the settlers' tracks. I have another suggestion to make. I am the only doctor in the King-country, comprising an area of 2,500,000 acres. Although the Government have cut up 1,500,000 or more acres they have avoided making a reserve of any sort for a hospital. To my mind it is very necessary that a reserve should be made in the Kawhia County. I suggest that as a recommendation to the Commission.

135. *Mr. Matheson.*] Is there a Road Engineer in charge of this district?—He is in charge of the district, but he is on the railway, and you would not expect him to come to the Kawhia district.

136. Is his chief work supervising in this district?—He has an understudy.

137. Do you know what the cost of the officials is per annum?—No.

138. Do you think it is very unsatisfactory to deal with roading through officials of that sort?—That the loading is not spent is obvious, or if it is spent then we cannot get a return to show how it is spent.

139. Does it seem to you that if a return was prepared it would show that most of the money had gone in official administration?—Yes, and in waste.

140. Do you think you will overcome that trouble when you have your county?—I think the representative of the people will see that the same kind of waste does not go on as is going on at present.

141. Do you think it would be much sounder if Government grants were abolished, and subsidies were granted on all rates raised locally for road purposes?—That is a question I have not gone into. It sounds better.

142. *Mr. McLennan.*] Knowing the impossibility of forming roads here for a year or two, do you think that telephonic communication should be made between this town and the outlying districts where the settlers reside?—It is absolutely imperative.

143. Do you think these 6 ft. tracks are of much benefit? Do you not think it would be better to make them 16 ft. wide?—Yes; because they have more chance than of drying.

144. Supposing there are ten miles of roads to be formed in a certain place, and there are not sufficient funds to form a 16 ft. road the whole distance, would you prefer to form part of it properly and leave the remainder until such time as there were sufficient funds to complete the work?—Yes.

145. *The Chairman.*] You have opportunities of observation over the whole of the district: do you find in your experience that the chief difficulty is the want of roads?—It is.

146. And if you had decent roads constructed the country would progress?—Yes.

147. You have all the other elements necessary for success?—Yes.

HENRY SCHREIBER examined.

148. *The Chairman.*] What are you?—I am a settler. I hold a half-share in 312 acres with my brother at Oparau under lease in perpetuity. We are residing on the land, and it is partly improved.

149. Is there any particular matter that you wish to bring before the Commission?—Shortly after taking up the section we desired to dispose of it, and we found the leasehold tenure very inconvenient. We put our place into the hands of the local agent, and he told us he could have disposed of it several times over if it had been under occupation with right of purchase. The leasehold tenure did not suit the people, and so we were not able to sell. Another time we tried to raise money on it, and the bank wanted 8 per cent., so we tried the Advances to Settlers Department, and we inquired whether if we sent in an application for an amount much over the Government valuation the Government would make us an offer. They informed us that they would. We sent in an application, and they failed to make us an offer. They just replied stating that we had applied for too much.

150. *Mr. Matheson.*] Did you write again asking if they were willing to lend anything?—Yes; and they replied asking us to make another application, but we were not disposed to spend another guinea, and we did not do so.

151. Are you anxious to get the right of purchase?—Yes.

152. Do you want the freehold because it is easier to dispose of and to raise money on?—Yes.

153. Do you also think it is more satisfactory to work under occupation-with-right-of-purchase tenure?—I do.

154. *Mr. McLennan.*] You would like the right of purchase to enable you to dispose of your property without any trouble?—Yes, and to raise money on.

155. When you took up the land, had you the option of taking it up under occupation with right of purchase?—No; we bought in.

156. Was the land originally offered under the optional system?—I believe the original selector had the option, but he was a town man, and drew two sections, and knew nothing whatever about the land. He sold one section for £20, and the other one for £40. He could not reside on the land.

157. Do you think you have any claim to get the option at the present time?—Not at present.

158. *Mr. McCardle.*] When you applied for a loan, what was the value of your improvements and your interest in the section?—Something like £500.

159. If it is a fair question, what was the amount you asked for?—We asked for £250, although we told the solicitor that £200 would do us.

160. I suppose you know it was within the power of the Board to advance you the whole amount you asked for?—Yes.

161. Was your sole reason in trying to get a title so that you might sell?—Not altogether.

162. Why were you so anxious to dispose of your section?—There were three of us in the section, and it was too small for us. Since then two of us have bought the third brother out.

163. Do you know any other settler under lease in perpetuity in the district who has been able to get an advance from the Advances to Settlers Office?—I do not know of any.

164. Have your dealings with the Land Board been satisfactory?—Yes, very satisfactory.

165. *Mr. Forbes.*] How are you off for roads?—We have a road which, so far, has no end to it. It ends with the water, and it is impossible to get a vehicle in without taking it to pieces. I believe the contract for the top end is now finished, and there is yet three-quarters of a mile to be made before we can reach the road, and two or three bridges have also to be constructed.

166. How much per acre do you pay for your land?—We pay £7 16s. per annum. It is a very cheap section.

167. Was it improved when you got it?—Yes, partly.

168. Did you pay anything over and above the value of the improvements for the goodwill?—Yes, I should say so.

169. Would you get more for your property to-day?—I would not like to sell unless I could get more for it.

170. *The Chairman.*] Is there a general desire on the part of lease-in-perpetuity settlers to acquire the right to purchase?—Yes.

GEORGE WHITCOMBE examined.

171. *The Chairman.*] What are you?—I am a settler. My wife holds 669 acres of land at Kere-tihere, down the coast, under occupation with right of purchase. It was only balloted for eleven months ago, and we have not improved it yet.

172. Is there anything you wish to bring before the Commission?—I would like to state that the extent of the block is 16,000 acres. There are over 700 acres of education reserve and 3,000 acres of

scenic reserves. About 25 per cent. of the block is tied up as reserves. The ostensible purpose of the reserves is for scenic purposes, but we think the land is only held back in order that the Government may get the unearned increment. When the first settlers have made some improvements, this land will be put up for sale at a higher price. I do not object to the present price of the land there, but I would like to point out that the average price is 25 per cent. higher than that of the Kinohaku lands, and there is no road within twenty miles of Keretihere. I do not know whether any loading for roads has been put on the price of the land. Residence is compulsory under occupation with right of purchase, and I think it is rather hard to ask people with families to go down to sections that have no road within twenty miles of them.

173. *Mr. Matheson.*] Do you think the present machinery for dealing with Native lands is satisfactory?—No.

174. Can you suggest an improvement?—I think the only way to deal with them is to treat the Maori and European as one and the same, with the exception that you have to protect the Maori partly from himself. I think the Government should reserve a certain portion of land for each Native for their own use, and allow them to deal with the balance.

175. Would you give them freetrade with the remainder?—That is a question of Government policy. I do not see why they should not have freetrade with the remainder.

176. *Mr. McCardle.*] You have had experience of the Government system of road-formation in the Pahiataua County: Has the Government system of roading been satisfactory in your experience?—No.

177. Do you think it would be very much better if the Government left the construction of roads in the hands of the local bodies, and granted them a substantial subsidy in the shape of £2 for every £1 on loans raised for road-making?—Yes. When I was on the Pahiataua County I tried to get the Government to hand over the moneys voted by Parliament for roads to open up Crown lands to the local bodies for expenditure.

178. In your experience as an engineer and surveyor, do you think the local bodies can construct roads cheaper than the Government?—Yes.

179. Does the Government Engineer or second in command ever go over these roads?—I see him down here sometimes, and I suppose he does.

180. In your experience, is it desirable that the lease-in-perpetuity holders should be allowed to convert to occupation with right of purchase?—Yes. I believe in the freehold. I believe in the old Otago system of deferred payments extending over twenty to thirty years with compulsory residence.

181. Do you believe in the ballot system?—No; I prefer the auction system to the ballot.

182. I suppose you have heard of the proposal to settle land under the old homestead system: Do you think that system is necessary in the interests of settlement in the North Island?—I think it would be very good in small sections. I have heard it advocated for the North of Auckland.

183. Is there any land in this district which, if thrown open under the ordinary terms of settlement, would not be taken up?—No.

184. Then the homestead system is not wanted so far as this district is concerned?—No.

Mr. Forbes: The following letter has been received by the Commission:—

“Keretihere, 30th May, 1905.

“DEAR SIR,—I have been appointed by a meeting of settlers of this district, held on the 15th of this month, as a delegate to give evidence before the Commission at Kawhia, but owing to the distance and roadless state I find it impossible to attend in person. I therefore put my evidence in writing. I took up 1,246 acres of land under occupation with right of purchase, heavy bush, in the Keretihere Block, balloted for last June. The block is situated on the coast, twenty miles south of Kawhia and thirty miles north of Awakino, and, like all other land lying south of Kawhia Harbour, is absolutely roadless, except a few survey lines and old Maori tracks. There has been about 100,000 acres of land taken up in the above-mentioned district during the last three years, held by seventy or eighty settlers. The land is of splendid quality, it costing from 10s. to £1 per 100 lb. to get goods on to the land, thus completely blocking settlers from improving their sections; besides, it is impossible to get stock on to the land. I believe the Government voted about £3,000 for roads in this district last session, but forgot to spend it. Personally, I got on to the land with my wife and family two weeks after the ballot, felled and grassed 60 acres bush, also split and built a five-roomed slab house, and effected various other improvements in eleven months. The settlers in this district suffer from four causes—(1) The great distance from a centre of population, and being absolutely roadless; (2) the number of speculators who take up land and leave it unimproved. The Land Board should enforce the improvement conditions on all absentees; (3) the number of bush and scenic reserves, the best land in the district being reserved under these two headings; (4) the large areas of Native lands. The above conditions all combine to block settlement, being completely against the first settlers who settled on the land, preventing them from having the benefits of civilisation. As to freehold, the result of ballot for Keretihere Block in June last is sufficient evidence—fifty-one applications for right of purchase, one for lease in perpetuity. All second and third class land should be opened under the Homestead Act, and all taxation from the land should be spent on the roads. County Councils, Borough Councils, and City Councils should have the right to borrow locally for purchasing all unoccupied, absentees', and unimproved lands and city slums, under the Land for Settlement Act. The selector to pay the interest and 1½ per cent. in addition annually until the property is paid for. One settler on the land is worth twenty absentees.—I am, &c.,

“JOHN WOULDERS, Settler, Keretihere.

“Witness—Daniel Robinson, Postmaster, Te Maika.

“To Chairman, Land Commission.”

185. Was the settler who has signed this letter appointed by the other settlers?—Yes, he was appointed by the settlers residing there. I do not reside there.

186. Do you agree with all that is said in this letter?—No; I think it goes a little too far.

187. *The Chairman.*] Do you consider, in the interests of the settlers and State, that the right of purchase should be given to these lease-in-perpetuity holders?—In the interests of settlers, certainly.

188. And of the State?—I suppose what is good for the settler is also good for the State.

189. Do you think it is right that the title to land should be withheld until substantial improvements are made and certain residence has been fulfilled, so as to safeguard the State against land speculation?—Yes, I think so. I think the cash system should be done away with altogether, and the old deferred-payment system substituted for it.

HEYWOOD ARMSTRONG examined.

190. *The Chairman.*] Do you hold land?—Yes; I hold 590 acres, Section 2, Block V., under lease in perpetuity.

191. Are you occupying the land?—Yes.

192. Have you heard the evidence of the witnesses who have been examined to-day?—Yes, two of them.

193. Have you anything fresh to say in addition to what has been stated by the other witnesses?—I merely wish to say that I am in favour of the freehold—that is, of having the right of purchase. All our sections at Oparau were loaded to the extent of 2s. 6d. an acre for roading, and although I have held my section for five years no road has been made to it. I think that if the Government load sections for roading they should see that the roads have been formed, especially seeing that when the section were balloted for in Auckland Mr. Seddon promised that the roads would be put through straight away. Though that is five years ago there is no road that comes within two miles of me—that is to say, none that is of any use to me. As to the advances to settlers system, it would be an excellent thing if properly carried out, but administered in the way it is at present I do not think it acts very well. If you hold a lease-in-perpetuity section the Board will not advance upon it to the same amount as if it were a freehold. You cannot borrow from private parties on such a tenure, and this matter of financing is the greatest drawback to the backblock settlers to-day. Another of our difficulties concerns the fencing of adjacent blocks of Native land. When settlers take up sections adjoining Native blocks they have to put up fencing at their own expense. I think the fences might be put up by the Government and the cost loaded on to the Maori land.

194. *Mr. Matheson.*] Did you hear Mr. Seddon make the promise that the road would be put through straight away?—No, but my father did.

195. Do you not think that it might have been a promise that the money with which the sections were loaded would be spent within two years?—No. I have heard my people say frequently that he promised the roads would be put into the blocks straight away. That is five years ago, and there is still a few miles to be done.

196. Had you the option of taking up the land under other tenures than the lease in perpetuity?—Yes; but I chose the lease in perpetuity because I knew no better at the time, and I have been sorry ever since.

197. Do you think that men who took up land under occupation with right of purchase and spent a couple of hundred pounds on improving it could sell out and get any more than they have expended in time and labour?—If their time, labour, and money were all counted up I do not think they would get very much more.

198. Do you think that any increase in value is reasonably due to the settler?—I think that whatever increase in value there has been in the case of the Oparau lands is entirely due to the settler.

199. *Mr. McLennan.*] Are you in favour of the option being given to a settler to clear his freehold whenever he is in a position to do so?—I have already said that I am in favour of the freehold.

200. Do you demand the freehold?—Yes.

201. Have you any claim to the freehold? Did you not enter into an agreement with the Government to accept the lease for 999 years, and did not the Government enter into an agreement with you to let the land for that period?—That is so; but I took up the land on that tenure because I knew no better at the time. If a man has had experience of the tenure and can say it is a failure I think he should be given a chance to exchange it for another tenure. Any one who has taken up a section under occupation with right of purchase can throw up his section and take it on again under lease in perpetuity.

202. But cannot you do the same thing?—No; you cannot take up a section under lease in perpetuity and afterwards exchange it to occupation with right of purchase.

203. But could you not surrender your lease and let it be put up to auction and balloted for again? You would have the same opportunity as others, and you would get full valuation for improvements?—No, not at all. I know of one instance in my section when fencing alone cost more than 10s. for labour, whereas wire and packing it ran to 17s. 6d. or £1 per chain. That valuation was sent to the Land Board, and they wrote back to the valuer to the effect that he was valuing the fencing too high—that 10s. a chain was ample.

204. Do you not think that if the law were amended so as to enable you to clear the freehold a clause might be put in the Bill which would work out to your detriment? Say that the Government insisted upon making their own valuation of your improvements, and then put the section up at auction and sell it to the highest bidder?—I am not in favour of that.

205. What I mean is, that there is a danger of such a thing being provided for. Would you be in favour of taking up the land again if it were put up under such a system?—I do not see why it should be put up again at all. If a man converts his section from lease in perpetuity to occupation with right of purchase let him pay up the back extra percentage and compound interest and then let him have the land.

206. What you want is the right of purchase?—Yes. If the Government would give full valuation for my improvements—not their valuation—I would be prepared to take it.

207. Have you had anything to do with the Advances to Settlers Department?—I made an application but I did not succeed. They would not make any advance at all.

208. What valuation had you?—My improvements were worth over £200.

209. What was their valuation of your improvements?—I could not say, but I do know that they brought the fencing down from 17s. 6d. a chain to 10s.

210. Did they give you any reason for that?—None whatever. After about three months' waiting I received a reply to the effect that the Board were sorry to say that they could not make any advance on my section.

211. *Mr. McCardle.*] Have you attempted to borrow money outside?—Yes; and I got it, but had to pay 8 per cent. for it.

212. Do you think any fair-minded Government would call upon a settler to surrender his section, have his improvements valued and go out, and then if he wanted to go in again have to bid against the outside world?—Certainly, no fair-minded Government would.

213. Is it not evident that the Government do not wish to do that when they set up this Commission to ascertain the wishes of the people in the matter?—From what I can see the present Government do not want to do it.

214. Are you satisfied with the administration of the Land Board?—I have nothing to complain about; they have treated me well.

215. *Mr. Forbes.*] What rental do you pay?—£20 10s. a year.

216. Have any sections been changing hands with any goodwill upon them?—I think there are a few.

217. Do you think that any sections are being held about here merely for the purpose of doing the improvements required by the Act and then selling out?—In my opinion there are a few around Kawhia Harbour.

218. What is the drawback to the lease-in-perpetuity system? There is nothing to prevent you working the ground, and no restrictions over and above what the occupation-with-right-of-purchase man has to submit to?—Financing is the main difficulty. Men with money will not take up lease-in-perpetuity properties at all, but some of us have had to take that tenure because they had no choice.

219. You think the lease-in-perpetuity tenure is unpopular about here?—Very unpopular.

220. How are you off for roads?—I and a neighbour opposite me are the only two on the Pirongia West Block who have not roads to our sections. We were among the first settlers in this district, and our lands are loaded with 2s. 6d. an acre. We have been there for five years, and we have had to pack or carry out everything that we have on the sections.

221. Are there no signs of the Government making a start with the roads?—I wrote to some of the officials months ago explaining the position, and I received a reply from Mr. Hursthouse stating that the men had only been taken off temporarily; but though that was months ago, I see no signs of the work being resumed.

222. Do the Rangers give you any trouble?—I have had no trouble with them whatever.

DONALD McDONALD examined.

223. *The Chairman.*] Under what tenure do you hold your land?—I have 100 acres under lease in perpetuity in the Kinohaku Village Settlement.

224. Are you satisfied with your tenure?—No, I would prefer the option.

225. Are you occupying your section, and have you made improvements?—Yes.

226. Is there anything you wish to add to what the other witnesses have stated?—Only in regard to the roads in this particular block. There are more than fourteen sections to which there is no track at all, and all these sections are already improved. Three miles of track would give them all a road or means of getting to their sections. Out of twenty-seven sections in the block there is a road to only seven. The land is meant for dairying, so it is necessary that there should be roads, and the properties have been loaded with 5s. an acre for the purpose. For myself, I am almost surrounded by a scenic reserve, along which there is 55 chains of fencing. This reserve keeps me out from the beach and blocks me from the only means I would have of getting timber to the section.

227. Are all these sections that you say are without roads occupied?—There is no one living on them because it is impossible to live there, but improvements have been done upon them. There are no means of getting cattle there.

228. Have you as a block petitioned the Land Board for an explanation as to what has become of your loading money?—We wrote to the District Road Engineer, and he has always stated that there is no money available.

229. Has he ever stated that the money has been expended?—No.

230. *Mr. McCardle.*] If proper road-communication were provided, is the land generally suitable for dairying?—It would be if the holdings were larger, but they are too small.

231. What size should they be extended to?—At least 150 or 200 acres.

232. Are nearly all the settlers doing improvements on the blocks?—Nearly all.

233. *Mr. Forbes.*] Is there any stock at all on your land?—There are a few Native cattle roaming on the clearings.

234. Is it good land?—Very fair land. It is called first-class, but it is only second, or, indeed, is only third-class in comparison with what is classified as second in the Kinohaku Block.

235. You do not think the selection made for village-homestead sections was a good selection?—The holdings are too small and the land is not good enough. There is not 100 acres of ploughable land in the whole of the twenty-seven sections.

236. Is there any land available for the extension of the holdings?—There are a few reserves such as the scenic reserve of 250 acres.

237. Then you think that that land should be cut up?—A portion of it. It is of no use for scenic purposes and only good for firewood; and this scenic reserve is the best portion of the land, for it is all flat, and it cuts me off from the beach.

238. What are the terms of the homestead settlement?—There is no option.

239. Did you get any advance when you took up the land?—I wrote to the Land Board about it, and I was informed that the Government would make no advances on the Kinohaku Village Settlement.

240. Did you get any extra concessions?—None whatever.

241. Then, the only difference between the village settlements and other lands is that it is cut into smaller lots and the rents are higher?—Yes.

242. Do you pay any higher rents than your neighbours?—I pay £6 a year for my 100 acres.

243. Do you think that if roads were put in the settlement would be a success?—Yes; if they would allow a man to take his neighbour's section so that he would have 200 acres, it would be a greater success. One cannot make a living off 100 acres without working elsewhere as well.

244. But a man could make a living in dairying on 100 acres, could he not?—Yes, but it would be very poor living on that class of land. Anyhow, it would be impossible until you have factories, and before you have factories you must have roads.

245. *Mr. McCardle.*] What is your idea about the tenure?—I certainly prefer the option.

246. And you have no particular wish in the matter at present?—I do not wish to convert it just now; but a man likes to be able to look forward to the opportunity of acquiring the freehold instead of having the chance of a revaluation hanging over him.

247. Do you think there is any danger of the agitation for revaluation being successful?—One never knows.

ROBERT ALBERT MCCARDLE examined.

248. *The Chairman.*] Are you a landowner?—I hold 100 acres in the Kinohaku Village Settlement, under lease in perpetuity. Of this, about 15 acres is felled.

249. Is there anything fresh you wish to add to what the other witnesses have stated?—No, I agree pretty well with what Mr. McDonald has stated with regard to roads and the smallness of the holdings. My own section consists of tree manuka. There is no road, and I do not know how I could pack timber into it. Therefore, I do not see how people can be expected to live on it as it is. When I took the place over, I expected to get a road straight away.

250. *Mr. Matheson.*] Do you think that the making of the road that gave access to the seven sections absorbed all the money with which the sections were loaded?—I do not.

251. Do you believe that you are paying interest on loading money which has not been expended?—I am quite certain of it.

252. Are the settlers satisfied with their tenure?—I do not think they are.

253. What do they want?—They would like the right of purchase.

254. Do you think that would make the settlement a more prosperous one?—Yes.

255. In what way?—A man cannot make a living in that class of country on 100 acres.

256. How would the right of purchase help him to make a living?—A man like myself, who has very little capital to work on, cannot raise the money from the Government with which to stock his section. If you go to an auctioneer and explain to him your exact circumstances, he says, "I cannot do anything with you." Now, if you had the land on freehold he could deal with you, because he would have security. A section of 100 acres is of no use to any one for dairying purposes as things are at present.

257. Do you look at the position differently from the way you did when you took up the land? Were you not satisfied with the tenure when you took it up?—I thought I would have a chance of extending my property. There is a reserve of 150 acres alongside of me, and I also thought that I would be able to deal with some Maori land which adjoins me. For two years I have tried with negotiations with the Maoris, but I am no further forward than when I started.

258. *Mr. Forbes.*] What is your rent?—About £4 10s. or £5 a year.

259. Is that dearer in comparison than the land round about Kawhia?—According to the quality of the land it is. I think the price put upon it was £1 2s. 6d. an acre, and it is only very ordinary second-class land. If it was freehold, you could buy any amount of land just as good for about 14s. an acre.

260. The selection for the village settlement was evidently a bad one?—I think so.

261. Is it not very much better in the case of a small settlement to select the very best land for it?—Certainly.

262. Are any steps being made to give you a road?—None whatever. I think they have forgotten that they ever let the land.

263. Did they give you any promise when you took it up?—I understood that the roads were to be made immediately. When they loaded the sections with 5s. an acre, I took for granted they would give us an outlet somewhere.

264. Was the idea in creating the village settlement that there would be a dairy factory?—I suppose that was the idea. I am satisfied that if the roads were put through, the settlers would make an effort to get a factory.

265. Do you consider that the settlers have been misled in respect to getting means of communication?—Yes.

266. *Mr. McCardle.*] I suppose the land was put at a higher price owing to its proximity to the harbour?—Yes.

267. *Mr. McLennan.*] Are the other settlers improving their property?—They are all doing well, considering that they have no roads.

268. Are many of them living there?—There are five or six in the village settlement. The others cannot get timber to their sections.

269. If the settlers could clear their holdings, could they be ploughed and cultivated?—Most of them could, but there are a few that could not. These are too rough even to run store cattle on.

270. What could they grow?—Turnips or oats, and probably wheat. I am told that wheat has been grown on the section I have, though it does not look much like it now. You could grow potatoes on it, and, at any rate, enough vegetables for your own use.

271. Sufficient for winter feed for your own stock?—I think so.

272. Do the settlers generally wish to have the right of purchase?—I have met only one man in the whole of the King-country who believes in the lease in perpetuity—a man at Te Rauamoā. All others I have spoken to are for freehold.

273. Do you think that it would be in the interests of settlement that they should have the privilege?—I feel sure of it.

274. How much would it cost to clear the land and have it ready for ploughing—that is, the level and ploughable sections?—It would cost at least £15 an acre to clear my section—to clear away the manuka and stump it—and I would not care to do it at the price. I do not think any one would make more than 6s. or 7s. a day at it. The manuka-trees average about 2 ft. through.

275. Is there any fencing-timber on the section?—Only the manuka. It would last six or seven years for fencing purposes.

WILLIAM DAVIES examined.

276. *The Chairman.*] Are you a settler in this locality?—Yes; I hold 1,369 acres in the Pirongia West Block, under occupation with right of purchase. Between my brothers and myself we hold 2,300 acres. We have had considerable experience with land, and we consider occupation with right of purchase the best of the present tenures.

277. Do you agree with what the other witnesses have said on the whole?—I do agree with them; I am in favour of the freehold.

278. Is there any other matter you wish to bring forward?—I think the best tenure ever introduced was the deferred-payment system. There are several objections to the leasehold. For instance, in forming any co-operative dairying company, or any other local industry, there is great difficulty in getting the banks to take leasehold property as guarantee for advances. For that reason, settlers are blocked from getting dairying factories when they have spent all their own money on their properties and cannot get return, consequently the place is at a standstill.

279. Do you consider that the freehold puts you in a better position for carrying on operations?—Of course. We have tried leasehold, but never again. I think no one wants to try it a second time.

280. *Mr. Matheson.*] Do you consider that the leasehold gives a poor man a good chance?—Yes, as long as he has the right of purchase.

281. Under the old deferred-payment system purchase was compulsory within a limited time. Do you consider it is better to give a man a lease and let him pay out of his savings when he is able to do so, instead of his being compelled to pay one-tenth every year?—Our experience is that, if he was not able to pay the deferred-payment at the time it was due, he would be given a little more time in which to make the payment.

282. Do you think that that is a better tenure than being allowed to make the purchase whenever you are in a position to do so?—You have not the option under occupation with right of purchase.

283. What is the limit?—You cannot purchase within ten years, and you have to purchase within fifteen years.

284. Do you think it would be an improvement if you had the right to occupy and to purchase at any time it suited you?—Yes, that would be all right.

285. Are you satisfied with your present tenure?—Yes.

286. *Mr. McLennan.*] Have the settlers under occupation with right of purchase any trouble in raising loans?—No.

287. *Mr. McCardle.*] Have you known any one in your district to have trouble in raising money?—I think they all have trouble.

288. Do you know what rate of interest any of them are paying?—I know for a fact that it is difficult to get money at 8 per cent., and in some cases that they have to pay as much as 12 per cent.

289. What is the lowest rate at which you have known men to get loans under occupation with right of purchase?—We could get a loan to-morrow without even a mortgage at 5 per cent. The banks will advance on overdraft at that rate on freehold security, whereas under leasehold it is difficult to get money at 8 per cent. Taking two settlers, one under occupation with right of purchase and the other lease in perpetuity, with improvements valued exactly alike, one could get his money at 5 per cent. without any difficulty, whereas the other would have to pay 8 or 10 or even 12 per cent. Another matter that I would like to mention is, that the Land Act enables any one to convert an occupation-with-right-of-purchase title into a leasehold after ten years, but it gives him no chance of converting a leasehold into a freehold, which I think he should be allowed to do. There are many settlers about here who had no option of the freehold, and had to take their land under lease in perpetuity. I think they should have the right of changing their tenure.

290. *Mr. Forbes.*] What is your rent?—I cannot say exactly. I and my brother pay the rent of the four sections in one sum.

291. Have you cleared much of your land?—About 900 acres are cleared and in grass.

292. What would you say it cost you to fell and grass the land?—To fell and grass it and fence it and put up buildings, it would cost us about £4 an acre.

293. Is the neighbourhood closely settled?—Yes; and nearly all the selectors are living on their property.

294. Have you any roads?—We have roads in both directions, but there is no outlet from them. About eight miles of road have been made, but though we have been there about five years, we have had to carry and pack in all that we wanted for the farm. A river runs across the eight miles of road I have mentioned, but it has not been bridged, and for want of an outlet we cannot use the road.

295. How much more road is necessary to give you an outlet?—An extension of a mile at this end would carry us to the ferry, and give a road to all the settlers in the block. At the other end a road was formed about eight years ago, but it has been left incomplete and with rocks lying in the middle of it, so that no one can use the road.

296. Have you approached the Government about the matter?—Many times, and we have come to the conclusion that Mr. Seddon was right when he told us that Ministerial promises were like pie-crusts.

297. Do you think that he actually used those words?—Yes, I know he did, for I heard them.

298. Was he referring to the promise he made at the time of the ballot?—He made two promises. He said it here in Kawhia.

299. Was that in connection with the ballot that was held in Auckland when he promised that the roads should be made in two years?—It was in reply to deputations in general.

300. Is there anything else you wish to bring forward?—I have here a clipping out of a newspaper reporting the evidence given by a leasehold witness, which reads as follows: “*Mr. Hall.*] Do the Crown leaseholders want the freehold? *Witness:* My experience is that the people who are agitating for the freehold are not the people who hold leases in perpetuity, but the freeholders and members of the Farmers’ Union, most of whom are freeholders. The feeling does not really exist among the tenants, but is being fostered by outsiders.” That is not right. Speaking from a selfish point of view, it would be far better for us to agitate for the leasehold now that we have the freehold ourselves, because it would increase the value of our holdings; but what we want is to see the whole district go ahead.

301. Is not the large area of Native land a great drawback to this district?—Yes; the best of the land surrounding the harbour is held by Maoris, and the Crown lands are at the back. If we want to make a dairy factory, or establish other industries, we have to metal roads through the Native lands to get at the water, and although that puts up the value of the Natives’ property and there is nothing got out of it, and instead of the land being all grassed and supporting a factory, it is lying idle. Then, about the ragwort. This is a weed that is not generally noticed until it is in flower, and when the Inspectors notice it they give the settlers a fortnight’s notice, and if then after going round the district again they see it has been neglected they have to write to the head office for permission to summons the settler. That takes another fortnight. Then, serving the summons means a delay of another few days, and as it might be a month before the Court sits it would be fully two months before they could get at that man, and by that time the damage is done and the seed is spreading all over the country.

302. What would you suggest as a better way of dealing with the trouble?—I think the Inspector should have full power, after giving two or three days’ notice, to summons people straight away. That would be more satisfactory both to the Inspectors and to the settlers.

303. If the Inspector had power to put a man on to clear the ground of the weeds and then charge the cost to the settler, would that keep them up to the mark?—No; they would soon hand their sections over to the Government, and those who stuck to their sections would have to bear all the responsibility of keeping the ground clean.

304. But if an Inspector put a man into Court, they could only fine him; but the mere fact of a man having been fined would not keep the ragwort down?—I think it would, because if a man saw a single plant on his place he would take the trouble to pull it out.

305. We have noticed a weed called the Bathurst burr growing right in the township here. It is generally believed to be worse than the ragwort?—It could not be worse than ragwort.

306. Is it there only, or is it spreading through the district?—I do not know. I have not noticed it anywhere except here.

307. Ought it not to be cleared away?—That is a matter for the Inspectors.

308. *The Chairman.*] When you stated that you could get money on freehold security at 5 per cent., did you give that as your opinion, or do you state it as a fact?—I say we could get money at 5 per cent. without going in for a mortgage.

309. If you state that as a fact I am afraid it will discount to some extent the rest of your evidence, because the lowest rate at which any bank in New Zealand will give an overdraft to the best people holding good security is 6 per cent., and as regards borrowing on mortgage, even on what may be called gilt-edged securities, 5 per cent. and upwards?—Well, I reckon we could get it at 5 per cent. to-morrow.

310. That is only what you reckon?—Well, we have not raised money for some little time now, but in Taranaki we had it at 5 per cent.

OTOROHANGA, MONDAY, 5TH JUNE, 1905.

JOHN ORMSBY examined.

1. *The Chairman.*] How long have you been in this district?—I have been in the district all my life, and in this particular spot for the last twenty years. I have a fair idea of the country.

2. Do you hold much land yourself?—I, with my family, hold, I suppose, 2,000 or 3,000 acres of Native land.

3. Is there anything you wish to bring before the Commission?—I wish to offer a few remarks in respect to the Native-land question. The Natives in this district are under great disadvantages,

owing to their lands being restricted in such a way that they can neither lease nor sell except through a very intricate and cumbersome machinery—that is, the Native Land Administration Council. I am a member of that body, and, although we believe in the principle, I myself think the working of it could be very much simplified. It is the general opinion now, I think, both of Europeans and Natives, that if more power were vested in the Council so as to place it on very much the same footing as the Land Boards, things would go on much better. At the present time Natives who wish to make terms with private individuals have to apply to the Council for the removal of restrictions, and the terms being fair and equitable the Council recommends the removal of the restrictions, but the recommendations are subject to the consent of the Governor in Council. That all takes time, and there are several cases which have come before the Council for the last two or three years, and the matters have not been finally dealt with yet. There is also a feeling amongst the Natives that this land question affects not only the Natives, but the colony as a whole, and that the sooner the country is settled the sooner will it be productive and thus contribute to the revenue of the colony. The Natives, therefore, consider the State should father the administration of the Native lands, and that in order to meet expenses of administration a deduction not exceeding 5 per cent. should be made from the revenues derived from the land. At the present time the Natives are very backward in placing their lands in the hands of the Council, for the simple reason that they do not know what the cost is likely to run into. As the Act stands at present the Native lands are saddled with the whole cost of administration, and, roughly speaking, we find that this would practically swallow the whole of the revenue and leave nothing for the beneficiary owners. Under the Act at present each District Land Council can borrow up to £10,000. Assuming that to be the strength of the Council, as it were, per annum, or the amount available for them to work upon in throwing open Native land, the question then is, how much land can they put on the market for that amount? We have it from the Surveyor-General that the cost of opening up Crown lands ranges from 5s. to 15s. per acre. Of course, it depends greatly on the size of the section and whether it is open or rough country. But, taking the average at 10s. an acre, for £10,000 we can only put on the market 20,000 acres. Assuming the fee-simple to be 10s. an acre, that, with the loading upon it, would bring the amount up to £1 an acre; and, assuming that the whole 20,000 acres were taken up when thrown open, we then have a revenue of about 5 per cent., £1,000. That is the only revenue it is possible to obtain from the 20,000 acres placed on the market. And that is assuming that we were so fortunate as to get the whole of it taken up, which is scarcely likely. Now, the cost of administration is to be set against that, because the land has to bear the whole burden of administration. We have now seven members of the Council, six of whom have to be paid out of the revenue derived from Native lands. Suppose they all attended and had to sit monthly. Roughly speaking, they would require three days for each meeting—that is, a day going and returning, and a day to go through their business; though, as a matter of fact, it takes nearly three days to go and three days to return. Well, one sitting in a month would run us into £200 per annum for salaries alone. Then, as to the salary of the clerk: considering the amount of work to be done, I do not think £150 a year would be too much—that brings the amount up to £350. Then we have offices, which would run us into about £50, and stationery, and so on. And, taking everything into consideration, we could not put the total cost of administration at much under £500 per annum. Then we have the £10,000 we have borrowed, say at 5 per cent., that runs into another £500 for interest. You will see that it takes half the Natives' revenue to pay the cost of administration, and the Natives have nothing left. That is even looking at it in its most favourable aspect. Now, we have here an Act which has been introduced by the Government evidently with the intention of overcoming this long-standing Native difficulty, but apparently we are not much better forward. But if the Government were to come forward and say that whatever might be the cost of the administration of Native lands the State would pay for it, and the State would only make the 5 per cent. deduction which I have indicated, it might be asked, why should the State for the administration of Native land? As I have already contended, the settlement of the Native land is beneficial not only to the owners but to the State, and what we want to do in the first place is to insure that sufficient land shall be brought forward and placed in the hands of the Council. Well, there is no inducement to the Natives to place their lands in the hands of the Council, because they are not satisfied as to what the cost is to be; but if the State were to place the matter beyond doubt and say "Whatever it may cost to administer your lands we will see that it does not cost you more than the 5 per cent.," they would then know that they would get 19s. out of every pound. If an insufficient quantity of land were put on the market in the first few years the State might lose, but afterwards the State would gain both directly and indirectly from the enhanced value of the land and enhanced production, as well as from the rates and taxes which the settlers would pay on the lands they occupy. As I have pointed out, though it might cost the Council £500 for administration in the first year, there is no reason why the cost should be materially increased in subsequent years, although the revenue would be materially increasing, and in, say, seven or eight years there would be sufficient land on the market to be on a par with the cost of administration and to make up for the years in which there had been a loss. That appears to be the feeling of the Natives here, more especially in regard to the land embraced in the schedule of the Act of 1894.

4. Are the Natives generally desirous of having their land individualised?—There is a tendency towards individualisation; but there are certain blocks which could not possibly be individualised, as the expenses would be altogether too great.

5. But where the land could be individualised, would it not pave the way for dealing with these lands by the Government or the Council?—I do not think it would make any difference whether the land was individualised or held in common, if the suggestions I have indicated were adopted.

6. But the Natives are disposed to have their lands dealt with on some fair basis?—Yes, they are anxious to have their lands dealt with in some reasonable way, provided that they are not absolutely losers.

7. Would it not be greatly in the interests of the country to have the lands open for settlement?—That is so. I would also point out that in passing a liberal measure the question of the noxious weeds and the rabbit nuisance should be dealt with.

8. Are the noxious weeds spreading very much?—Yes, the ragwort is beginning to show almost all over this part of the country; and the rabbits, although they may be kept in check, are not, I think, being reduced.

9. What are the principal noxious weeds?—Ragwort.

10. Are there not also bramble, Canadian thistle, and sweetbriar?—Yes.

11. *Mr. McLennan.*] If the Native lands were individualised, would the Natives settle on the land and make good tenants?—The only thing that is causing some of the Natives to ask that their lands be individualised is that they are anxious to settle on the land themselves.

12. Do they farm their holdings at the present time like Europeans?—Some who are in a position to do so, and who have a little capital, make an attempt to farm their lands.

13. I have seen several places lately where the Natives have cultivated land, and after taking out the potatoes they have just left it. They have not even put it in grass. Is that not detrimental to their own interests?—Yes; that is their old style of cultivation. They put in their crops, and after taking them out they let the land lie and do not touch it again until next year. But others of us who understand the thing better go in for a more systematic style of farming.

14. *Mr. McCardle.*] The Natives have been holding meetings in this district lately in order to try and come to some resolutions as to the best methods of dealing with their lands. Have you in your evidence given us something in the nature of an outline of the resolutions they have come to?—Yes; I have a petition now embodying their views on the subject.

15. Would it be possible to get a copy of that petition so that the Commissioners might attach it to their report?—Yes, I will give you a copy.

16. We have heard that there is very little farming or work done by the Natives on their lands: does that not arise from the fact that although the Natives are willing and anxious to farm their land they have no means to do so?—Yes; I am satisfied that a great many would farm their lands well if they had the capital; but, of course, there are some who are now too old to take up any of the new methods of farming.

17. Would not some of the Natives who hold large blocks of land be anxious to part with a portion in order to get capital for farming purposes?—Yes.

18. Is it not desirable that they should be met in that way so that there would be no advantage taken of the Natives when selling their land?—That is what the Natives desire now, but the feeling is more in favour of leasing their surplus lands than selling.

19. *Mr. Matheson.*] Do you consider that the land question could be settled before all the land was individualised?—Yes; I am satisfied that the land can be settled to advantage without being individualised.

20. Would you prefer that the Native Council should do the work rather than that the Government should take it over?—It would really amount to the same thing.

21. Your wish is that you should have the power of decision without reference to the Governor in Council?—That is the wish of the Natives at the present time, and we believe that it would facilitate matters and hasten the progress of the district.

22. In that case, would the Council collect the rents and pay out to the Natives?—Yes. Of course, they would be amenable to the powers that be.

23. Under the present system your contention is that half the present revenue is absorbed by expenses, and you suggest that the Government should bear the expenses?—Yes.

24. There would be a loss to the Crown of £500 a year on every 20,000 acres?—Yes, in the first instances, but that would be recouped as years went on. I am satisfied of that, because in the next year you would have another 20,000 acres, and in the next year probably another 20,000, and in a few years the revenue would be on a par with the cost of administration.

25. Do you mean that the expenditure could be capitalised, and out of the revenue received 5 per cent. could be paid, which would in time pay off the debt?—No; I mean that the amount could be made up in a number of years by the fact that the amount of land being placed on the market would be increasing from year to year. In five years there would be probably 100,000 acres placed on the market. The Native Land Court itself is not self-supporting. That is to say, the expenses are not recouped by the fees collected in connection with the cases adjudicated upon, whereas under this proposal the outlay would be recouped.

26. *Mr. McCardle.*] Could not the Maniapoto and Waikato Council be merged into one Council?—Yes, they could, but it is against our wish.

27. You are aware that the Waikato Council is practically defunct, having only met twice?—I believe so.

28. Is it not a hardship that people dealing with Native lands should be barred from getting their agreements fixed only to the fact that this Council does not meet?—I believe it is a hardship to the people in the district.

29. *Mr. Matheson.*] Does the present machinery contain any provision for lease with the right of purchase?—No.

30. Do you think it would be wise that such power should be given?—The feeling at present is that it would not be wise to adopt that indiscriminately.

31. If such sales were permitted to take place, do you think the moneys obtained from such sales should be invested by the Government, and a fixed rate of interest paid out for the future to the Natives concerned?—As I said before, selling was against the feeling of the Natives at present, but if it should be adopted I think it would be best to invest the money at a fair rate of interest, the interest to be paid to the Natives.

32. *Mr. McCardle.*] Do you think, where the Natives have small isolated properties and a fair price is offered, any injury would be done by their being permitted to sell?—In isolated cases I do not think there would be any hardship.

33. *The Chairman.*] Under whatever system the Native lands are dealt with in the future I suppose it is recognised that a sufficient amount of land should be retained to the Natives for their own use?—Yes, that is beyond dispute.

34. And the land should be individualised?—Well, there is a difference between individualising and ascertaining relative interests. In some cases it is a very expensive thing to get a block of land individualised. For instance, in several blocks there are almost as many owners as there are acres, and it might happen that one of those particular blocks they might want to retain for their *papa-kainga*. If that particular block were individualised the cost of each order of the Court would be £1, and there is the survey fee to be put on to that, so that individualising such a block is placed beyond all possibility.

35. Is it not a fact that where the land is not individualised there is not the same incentive to each Native to work the land as if a portion of it were his own individually, because when he makes improvements he knows those improvements become the property of others as well as himself?—That is so. But, as I said before, the individual interests in some of these blocks are so small that it would be too expensive to cut them up.

HENRY MATTHEW QUIN examined.

36. *The Chairman.*] What are you?—I am a settler. I hold 1,122 acres under occupation with right of purchase about thirteen miles from here.

37. Do you occupy it?—Yes; and I have spent about £2,000 on it in five years' work.

38. Is there any particular matter you wish to bring before the Commission?—I think the Government are very lax with regard to roading. They load all these lands for roading purposes, and, although it is five years since I took up my property, there is at the present time standing bush on three parts of the road around my place, and it is likely to be in that state for another five years so far as I can hear. There has been no move made to fell this road, and I think I can say if they would fell the bush we would do the formation ourselves for nothing. And when there is standing bush around one's property one cannot erect fences, and if we want to fell bush on our own account the Government take exception to it. The engineers say we must not do it, because it is easier for them to take out the standing trees than to uproot the stumps. I would also like to say that I am in favour of the freehold. I think the occupation with right of purchase is a very good tenure to enable people with small capital to get on the land, and there is no doubt the lease in perpetuity may suit some people also. With regard to the Native lands, I listened to the evidence given by the last witness, and I am of opinion that the simplest way of dealing with the Native-land question is to have the whole of the Native lands individualised. At the present time there are Natives holding large areas of land, whereas if a white man holds a large area like that it is taken from him by the Crown at a valuation. The Native receives all the benefits that a white man does, and I think he should share the responsibilities, provided he is educated to the same pitch as a white man. I think, in taking over these large areas from the Natives, a fair rate should be paid to the Natives interested, and a certain amount of land should be retained by them, and a certain proportion should be apportioned amongst the landless Natives, so that they should all have a certain amount of land. The balance of the land should be thrown open by the Crown under occupation with right of purchase for Maori or pakeha alike.

39. In which direction is your land?—Towards Pirongia West. It was all virgin bush when I took it up.

40. *Mr. McLennan.*] How much was your property loaded for roads?—I am not quite clear about that.

41. Can you say that the loading on your road was not spent?—I do not think there was any loading on that land spent at all.

42. Have you had any dealings with the Land Board?—Yes, and I have no complaint whatever to make against the Land Board.

43. Are you satisfied with the constitution of the Board?—I think the Land Board should consist of men who understand land, and that they should be nominated by the people instead of by the Government.

44. Under what system would you have them elected?—Just as Mayors and County Councillors are elected.

45. Have you had any dealings with the Advances to Settlers Office?—No; nor do I wish to. From what I have heard the Department is not working satisfactorily.

46. *Mr. McCardle.*] Would not a system of election of Land Boards by the settlers be too expensive: Do you not think a method of appointing the Land Boards would meet the case: For instance, a large district like Auckland is represented by only four members at present, and do you not think it would be better to increase the membership by three or four so that certain localities such as the King-country, which is a bush district, would have its own representative?—I think that would work satisfactorily.

47. If candidates were nominated by the settlers in the different districts, and the Government were to make appointments from the list submitted, do you think the different districts would be fairly represented?—Yes, I think that would work satisfactorily.

48. Are you in favour of extending the right to purchase to the present lease-in-perpetuity tenants?—No; I think any contract made with the Crown should be strictly adhered to, and not broken in any way except by mutual consent.

49. Suppose the Land Act was broken to begin with, as in the case of the Kinohaku Settlement, which was advertised for sale under the optional tenure?—Yes, I understand the position there, and that the Government broke their contract. That was wrong.

50. Do you not think that the people who were treated in that way are entitled to consideration—that they have a right to ask for the option of the freehold?—Two wrongs do not make a right. It would be a very bad precedent to establish. I think that those people who have made a contract with the Government should stick to it.

51. *Mr. Matheson.*] Are you within the area proposed to be included in the new county?—I am not sure. I do not think the boundaries are quite defined yet.

52. *Mr. Forbes.*] What is the capital value of your land?—12s. or 12s. 6d. per acre.

53. Have you done much in the way of clearing?—Yes, I have nearly 600 acres in grass.

54. *Mr. McCardle.*] Have you much unearned increment in the district?—No; I hold that there is no such thing as unearned increment in the back blocks. It might occur in the cities, and only then in some cases.

55. *Mr. Forbes.*] How many sheep will your land carry when it is grassed?—Two sheep to the acre.

56. Will it take grass well?—Yes, fairly well.

GEORGE CALDWELL examined.

57. *The Chairman.*] What are you?—I am a settler. I hold 1,214 acres under occupation with right of purchase in this locality. My wife holds another piece of land near Otorohanga and I occasionally reside here. I have considerably improved my section.

58. Are you satisfied with your tenure?—Yes.

59. Is there anything special that you wish to bring before the Commission?—I believe in the freehold. I am not a believer in the lease in perpetuity for several reasons. Under lease in perpetuity land is loaded from 5s. up to 10s. per acre for roading, and the tenant has to pay 4 per cent. on that loading for the term of his natural life, and in all probability that man has to form the road himself. I consider that an injustice. Under occupation with right of purchase it is true he is debarred from acquiring the title for ten years and the result is that he has to pay 50 per cent. on the capital value of the land before he can buy it. I am a great believer in the old Rolleston system of deferred payments.

60. *Mr. McLennan.*] Are you acquainted with the South Island and the tenants there under the Land for Settlements Act?—No, I have never been in the South Island.

61. Are the occupation-with-right-of-purchase lands loaded for roading the same as lease in perpetuity?—In some places they are.

62. Well, if the land is loaded under both tenures, what is the difference?—I contend there is a great difference. In ten years a man under occupation with right of purchase is free, but under lease in perpetuity he has to continue paying the interest on the loading all his life.

63. Have your dealings with the Land Board been satisfactory?—Yes, very satisfactory.

64. *Mr. McCardle.*] You have had a long experience in bush lands both here and in Wellington?—Yes.

65. Do you think it is desirable in the interests of bush settlers and of the country generally that the freehold should be granted to Crown tenants?—Certainly.

66. Is it not a fact that tenants, even after they have spent large sums of money in improvements and labour, so long as they have the Government as landlord, are hampered so far as financing their properties are concerned, and are thus placed under great difficulties?—Under great difficulties. A man cannot finance under leasehold as he can under freehold.

67. Have you had any dealings with the Advances to Settlers Office?—Yes. I consider they treated me very liberally. No doubt in some cases they are dilatory in making advances, and some people complain because they have not got the amount they applied for. But I think there has been a reason for that. As everybody knows, it is not possible to advance up to 50 per cent. on some properties and in other cases it would be safe to lend up to 75 per cent.

68. There is no member on the Land Board representing this large district of the King-country: do you think it would be advisable that the Government should increase the number of members of the Auckland Land Board, seeing that the district is so large, and select members from the various localities, such as the King-country, so that the settlers might have direct representation on the Board?—Yes; I believe it requires members selected from the settlers to properly represent them. I think it would facilitate the business of the Land Board.

69. *Mr. Matheson.*] Do you think the Advances to Settlers Board have been wise in refusing loans sometimes because the security offered was not sufficiently good?—I do.

70. Have you known any case where a loan has been refused where there has been excellent security?—No. I have known several cases where loans have been refused and I know there was nothing whatever of value on which to advance. I have gone over several such properties.

71. When a settler loads his land for road-making by means of the Government Loans to Local Bodies Act the capital is paid off in a certain number of years: do you think that when the Crown loads land for roading the sum so charged should be paid off in the same way in a certain number of years?—Yes.

72. The old system of deferred payments was a compulsory one: do you think it would be more helpful to settlement if an extended time was given and the settler was allowed to pay off in such amounts as suited him?—My view is that, instead of a period of ten years and an extension to fourteen years with capitalisation, the time should be extended to twenty-one years at 5 per cent., with no capitalisation whatever.

73. *Mr. Forbes.*] What is the value of your land?—10s. per acre.

74. Have you done much clearing?—I have 525 acres cleared and fenced.

75. What do you reckon it costs to clear and grass?—About £2 per acre, without fencing. I may say that I had a bad burn and before I can get my land into permanent grass it will cost me double that amount per acre.

76. Is land in this district when cleared and grassed, but not fenced, worth more than £2 10s. per acre?—I consider it is worth from £2 5s. to £2 10s. per acre without fencing and buildings. Of course, this country is very expensive country to get into permanent grass. A lot of the country is very peaty and several burns are necessary before you can get grass.

77. Do the residential conditions press hardly on the settlers?—They have not pressed hardly on me, but I would like to go back to the old residence conditions of 1885 which gave the settler the option of making double improvements if he did not wish to reside.

HAROLD WILLIAM MATTHEWS examined.

78. *The Chairman.*] What are you?—I am a settler in this neighbourhood. I hold about 500 acres under occupation with right of purchase.

79. I suppose you have heard the evidence given by the previous witnesses: do you generally agree with what they have stated?—Yes.

80. Is there any fresh matter that you wish to bring before the Commission?—I would simply like to call the attention of the Commission more particularly to the Native-land question in this district. I would like to direct your attention to the great danger that is arising not only in this district, but in the whole of the Province of Auckland, and I might say the whole of the North Island, from the fact of the Native lands remaining in the wild state they do at the present time. They are a hotbed for noxious weeds of all descriptions. It is practically impossible for the Inspectors to carry out their duties. I have been in this district for a considerable time and long enough to gather the knowledge that it is the desire of the Natives and the white settlers that something should be done to make it more easy to settle Native lands.

81. You mean that the Government should take steps to deal with Native lands?—Yes. It is very important and very necessary that the Government should alter the present state of things in regard to Native lands. I think that fact would be very evident to the gentlemen of this Commission if they stood on the highest point of my section and saw the country all around me. On one side there are millions of acres of wild country covered with noxious weeds belonging to the Natives, and on the other side there is the Waikato district white with crops and smiling homesteads. It is evident there must be something holding the one back while the other advances. I would also like to say with regard to the question of freehold and leasehold that I have been connected with the land for forty years, and my experience is, and that of all the people I have come in contact with, that there is instilled in the Anglo-Saxon, or any descendant of the Anglo-Saxon, an inherent desire to stand on his own freehold. My experience is that it is the men who have that desire who go back into the wilds and face the difficulties and overcome the obstacles of nature.

82. *Mr. McCardle.*] Would you be in favour of any condition that would bring about the settlement of these Native lands?—Yes.

83. *Mr. Matheson.*] Have your dealings with the Land Board been satisfactory?—Yes, in every way.

84. Do you think the option of the freehold should be given to all Crown tenants?—I think so.

85. Do you think it might be a loss to the colony as a whole if the freehold was granted?—I do not think so at all.

86. *Mr. Forbes.*] Are you troubled with the road question?—Personally I am not, simply because I am not far out. We are pretty close to one of the main roads which is receiving more attention than the by-roads.

87. What is the capital value of your land?—£1 2s. 6d. per acre.

88. *Mr. McLennan.*] You say there is a desire in every Anglo-Saxon's soul for the freehold?—Yes.

89. Is it in order to gratify that desire that you wish the lease between the Crown and the tenant to be broken?—I do not think the agreement should be broken absolutely. I would not have it made compulsory or anything of that sort. It should be done when it is the wish of both parties.

90. You think it should be done if both parties are agreeable and not otherwise?—That is so.

91. Are you acquainted with the South Island and the condition of the settlers there under the Land for Settlements Act?—Not at all.

92. *The Chairman.*] Do you consider that whichever tenure conduces to *bonâ fide* settlement and keeps out speculation must be the best tenure in the interest of the colony?—Quite true.

FRANK FORSYTH THOMPSON examined.

93. *The Chairman.*] What are you?—I am a settler. I hold 531 acres under occupation with right of purchase.

94. Have you heard the evidence which has been given to-day?—Only that of the last witness.

95. Are you in harmony with what he says?—With part of it.

96. Is there anything fresh that you wish to lay before the Commission?—I would like to say that I think the best land-tenure in the colony was the deferred-payment system. I think the tenants have done better under that system than under any other system that I know of. The chief question to the settlers in this district is this Native-land question both as regards roads and fences. We cannot get any assistance in these matters from Native lands. I would like also to state that so far as I know a good many of the settlers who are under lease in perpetuity are in favour of the freehold and some of them have the idea that they will get the freehold. They are very strongly in favour of it.

97. *Mr. McLennan.*] Had they any promise that they would get the freehold when they took up

the land?—No; but a certain section of the country is trying to enforce revaluation and therefore the tenants are asking for the freehold.

98. Do you believe yourself that that section will ever have power to do such a thing, or that this or any other Government will ever pass a Bill to revalue holdings and so break an agreement entered into between Crown and tenant?—It is quite possible, seeing that they tried to pass a Fair Rent Bill.

99. Did your neighbours have the option of taking up the land under any tenure?—Yes; but they found by-and-by that the leasehold had not the same selling-value as the occupation with right of purchase.

100. And they want the freehold now to enable them to sell easily?—No; not for that reason. They want to be able to borrow on equal terms with the man under occupation with right of purchase. The commercial value of the leasehold is not equal to that of the other. In fact, it is hardly possible to borrow on lease in perpetuity at all.

101. Are any of the lease-in-perpetuity settlers selling out the goodwill of their sections?—They cannot round here. I know a good many who would like to sell out.

TE KUITI, MONDAY, 5TH JUNE, 1905.

ADAM CALLENDER McCARDLE examined.

1. *The Chairman.*] What are you?—I am a settler at Waitomo. I hold 278 acres under occupation with right of purchase.

2. Is there any matter you would like to bring before the Commission?—I would like first to speak in regard to the constitution of Land Boards. I think the country settlers require more consideration and representation on the Board. At present the bush settlers have very little to say in the matter, and I think better results would be obtained if they had better representation. The town members very seldom know the requirements of the bush settlers, whose grievances, therefore, are not thoroughly understood. In regard to tenure, I wish to state that wherever I have been through the district I find the whole of the settlers are unanimous in favour of having the right of purchase. They do not like the lease in perpetuity, as the conditions are not satisfactory. In the first place, if a man does improvements he cannot get any assistance in the shape of borrowed money if he wishes to make further improvements. Again, if he happens to be a little behind with his rent or rates he is always reminded that his section is liable to be forfeited. I will give you my own experience. I had a property in Hawke's Bay under lease in perpetuity, and I received a notice from the Commissioner of Crown Lands that if the county rate, amounting to £1 4s., was not paid my section was liable to forfeiture. Again, a lease-in-perpetuity settler has always to pay his rent in advance, and if his rent is not forthcoming in advance his section is liable to forfeiture. In asking for an advance from the Government Advances to Settlers Office I found it was impossible to get anything like a loan in proportion to a fair value of the improvements. I applied for a loan of £500 on improvements worth £1,050, and all that was offered by the office was £240. I think, in the interests of the colony as a whole, the settlers should be given the right of purchase. I am not referring to Canterbury, where the settlers on resumed estates are in an altogether different position to the settlers here. I have no doubt that a number of settlers here, if they had all their improvements done for them, and were only paying a reasonable rental, might be satisfied with their lease-in-perpetuity tenure if they were not afraid of their rents being raised at any time. But in the bush I do not think that anything short of the right of purchase would satisfy them. I think that all bush lands should be offered under the optional system. In regard to the pressure of residence conditions, I think the residence conditions should be relaxed in a district like this, where it is almost impossible for a man to take his family in, and where there are no roads nor prospect of roads, and no prospect of a school. In my own case I have to live in this township, where my children can get schooling. It would be impossible for me to take my family back to my section. In regard to lease-in-perpetuity land, I would like to point out that a settler might have his section very heavily timbered, but if he wishes to dispose of a portion of that timber or even to sell a few posts he is prevented from doing so. He cannot tell the timber, although he is compelled by the Board to carry out his improvements, and in so doing to destroy the timber. If a lease-in-perpetuity settler finds he cannot fulfil the conditions of his lease, and he wishes to surrender, I think he should be given fair compensation for his improvements. I think, in the interests of the colony as a whole, such a settler should be allowed to nominate a valuer, and the Crown to nominate a valuer, and the Chairman of the Land Board to act as arbitrator in order to assess the value of the improvements. Another thing that is never taken into consideration in connection with the bush settler is the amount of rent and interest and time that are lost in effecting his improvements. As a matter of fact, there is no return from bush lands in any shape or form within five years. I do not know of any instance where a settler has ever received any return from his section in less than five years, and this loss is never taken into consideration. Only the bare amount of the felling and grassing is taken into consideration. I have found that the present system of loading is altogether unsatisfactory. If a grant is made towards certain roads it is simply wasted in dribs and drabs, whereas if the work was let under a fair contract I know roads in this district which could have been done for pence where they have cost pounds. The "thirds" are simply dribbled away and the settlers receive no benefit. I think if, instead of the present system of loading land, the Government were to grant the rents for fifteen years and allow the local bodies to expend them so that they could raise loans and form and metal roads, it would be much more satisfactory. I would like to point out that there are large quantities of Crown lands lying idle in this district, and settlers who hold adjoining lands have to do all the fencing and receive no assistance from the Government. Again, there are a number of cases where settlers adjoining Crown lands have only a small holding. They might have

200 acres, which are insufficient to support a man and his family, but such settlers cannot acquire a piece of adjoining Crown lands without going to the ballot. That means that a settler under these conditions is forced to get rid of his section to enable him to obtain a suitable section. I think he should be given the right to select a portion of the adjoining Crown lands without going to the ballot. This district is surrounded with Native land, and the Natives are in no way dealing with them. The land is locked up and is being overrun with weeds and rabbits. The settlers can get no assistance when their fences abut on Native land. The Natives, although they are only too willing to improve their lands and become profitable settlers, are not allowed to do so. At present the Native land is only preventing the district from going ahead. The settlers cannot get roads because most of the roads would pass through Native land, and these lands would contribute nothing towards their cost. This is a Native township, and the whole position is most unsatisfactory to the settlers in the township. Since the land was placed in the market eighteen months ago a few sections have been offered by the Maori Council and the remainder are lying idle. The settlers cannot get any assistance towards fencing or road-making in the township on account of these sections lying in the hands of the Maori Council. I think the prices put on these sections are altogether ridiculous. I think the Natives should be given the right to sell the land in the township right out.

3. *Mr. McCardie.*] In regard to your statement that a settler holding a small area of land is not allowed to take up adjacent Crown lands without going to the ballot, the Commissioner of Crown Lands has stated in evidence that a settler adjoining Crown lands has the right to select a portion of that land without competition if his original holding is not sufficient for him to live upon?—All I can say is that I found my section too small, and I applied to the Commissioner of Crown Lands when I saw that 218 acres of Crown lands adjoining my property were to be placed on the market, and asked that I be allowed to take a section up without going to the ballot. The answer I received from the Commissioner was that the land was being surveyed and would be placed on the market shortly, and that I would have to go to the ballot for it. That is my reason for making the statement I did.

4. The Commissioner went further, and said that settlers would be allowed to take up unsurveyed land under the same conditions?—Well, this land has been lying idle for five years, and it is a hindrance to settlement, and the settlers want it opened up. They asked that it should be put on the market, and the Commissioner said that it would be opened shortly. That was five years ago, and that “shortly” has not yet arrived.

5. What improvements have you done on your section?—I put 175 acres in grass, 107 chains boundary-fencing, a good whare, and small bridges made, and tracks cut.

6. Would it answer the purpose of the settlers if the number of members of the Auckland Land Board was increased from four to seven in view of the extended area within this province, and if the Government were to nominate, say, a member from the King-country and other districts similarly situated with experience and knowledge of the requirements of the districts?—I think it would greatly assist the settlers.

7. *Mr. Matheson.*] How near to your section does a formed road go?—I join a formed track, but there is no dray-road formed nearer than two miles and a half of my section.

8. Do you think it would be an improvement if the loading was repayable at the end of a fixed term as a loan is under the Loans to Local Bodies Act, so that a settler under lease in perpetuity would not have to pay interest for a thousand years?—I certainly do.

9. You said it would be in the interests of the colony as a whole to give the right of purchase to Crown tenants: how would it benefit the colony as a whole?—I think under occupation with right of purchase settlers would be more content, and would be induced to put more improvements upon the land. I know perfectly well that under lease in perpetuity a large number of settlers only do temporary improvements because they expect to sell out at some future date, and they expect to scrape a few pounds together to enable them to get a freehold. The lease-in-perpetuity tenants do not feel satisfied. They feel that their rents are likely to be raised at any moment. I think it is better to have a contented community than a community of settlers discontented with their land tenure.

10. *Mr. Forbes.*] You say the residential conditions ought to be relaxed in some cases?—Yes.

11. I suppose it is of importance that people should go and live on these back blocks?—It is important that the back blocks should be settled.

12. Do you think it would be reasonable if the residential conditions were not enforced until proper means of communication were given to the settlers?—I certainly think that if proper means of communication were given to the settlers the residential clauses would be fulfilled.

13. Are not the residential conditions in order to prevent speculation?—I do not really know what they are supposed to prevent, but I know they are a great hindrance to the development of a new district. Many men with sons may wish to go and improve a holding in a new district, but they cannot do so because they are not in a position to fulfil the residence-conditions. There is another point. No money-lender feels safe in advancing on leasehold under residential conditions because if anything goes wrong with the mortgagor he does not wish to have to go and reside on the land.

14. Is it not important to settlers who go into the back blocks that they should have neighbours in order to enable them to get schools and other facilities that only an increased population can give?—If there is decent road-access, and the prospects of a school, there is some reason for enforcing the residential clauses; but where there are none of these things it is ridiculous to ask a man to take his family into the back blocks.

15. You think the Government should fulfil their part of the agreement and give the settler access to his section?—Yes.

16. Is much land changing hands about here?—Very little.

17. Is any land held as freehold?—Very small amount, if any.

18. Is it mostly under occupation with right of purchase?—I think there is a large quantity under lease in perpetuity in this neighbourhood.

19. Were these the lease-in-perpetuity settlers who had to take up the land under that tenure only?—The first blocks that were opened in this district were opened under the optional system, but the other blocks were withdrawn and put up under lease in perpetuity only, and the settlers were compelled to take up under that tenure.

20. And these men are desirous of getting the option of purchase?—Unanimously.

21. *Mr. McLennan.*] You say that tenants under lease in perpetuity do not put improvements on their holdings?—I said they do not improve their holdings to the same extent as men under occupation with right of purchase.

22. What is the reason? Is the lease too short?—No, it is ridiculously long for one thing, and the tenants do not feel secure under it on account of the agitation that is going on for the rents to be raised.

23. Do you not think they are greatly the cause of that unrest by demanding that the Crown should break the agreement entered into with them?—No; I think a great deal of the unrest is caused through the Crown not fulfilling their agreement in the first place. In this district, it was pointed out to the settlers when they took up the land that they would have access to their lands by certain roads. When they went to reside and work on their holdings they found there were no roads, and no prospect of getting roads. At the same time, this hue and cry is raised in the towns that the rents should be raised and the land revalued every twenty-one years. The tenants do not feel satisfied. The Government never fulfilled their agreement in regard to these bush lands.

24. Do the Crown tenants themselves try to assist in forming roads by paying rates?—Certainly; they are trying in this district to establish a county for the purpose of rating themselves to get road-access.

25. Have they paid rates this last five years?—No, because there was no local body of any description in the King-country. As soon as the county is formed they will pay rates.

26. Were all the holdings loaded for roads?—Not all of them.

27. Was the amount of the loading expended?—It has been dribbled away in such a manner that very little roading has been done in this district.

28. *The Chairman.*] Do you think that in these back blocks the roading should be done more expeditiously by the Government?—Yes. I think the roads should be made before the land is put in the market.

29. You spoke of forfeiting leases. Is it not a fact that there is a rebate of $\frac{1}{2}$ per cent. for the prompt payment of rent?—Yes.

30. Have you known any case where the Land Board were unreasonable and unjust in not allowing reasonable time in which to pay the rent? Are you aware of any case of forfeiture without very strong and full grounds for the forfeiture?—I know of no case where forfeiture has actually transpired, but I know my attention has been drawn to the fact that my section was liable to forfeiture.

31. Do you feel that there are any good grounds for thinking for a moment that any Government would break down a title legally given for land?—Yes, I think they would; if a sufficient number of land-nationalisers were returned as members of the Government I do not think they would have the least hesitation in breaking the agreement or raising the rents.

32. And do you think that any agitation by any irresponsible people would cause any Government to perpetrate such an unconstitutional act as to break down a title given to land? Have you ever known of such a thing?—I do not know of any case, but I do not think they would have any hesitation in raising the rent, provided there was a sufficient number of members of the House in favour of it. That is my opinion, and I think the settlers feel it so too.

THOMAS PORTER examined.

33. *The Chairman.*] Do you hold land in this district?—Yes; I hold 916 acres in the Maungamangero district, on the Ngapinga Road, under lease in perpetuity.

34. Have you made improvements on your holding?—Yes.

35. And do you reside on it?—Most of the time, but my wife and family do not.

36. Do you agree with what has been stated by the last witness, Mr. McCardle?—Entirely.

37. Is there anything further that you wish to say?—The settlers in my district held a meeting of their Progressive Association, and deputed Messrs. Murdoch, McKenzie, and myself to voice their views before this Commission. The association has a membership of thirty, and the members are unanimously and strongly in favour of the right of purchase.

38. Have they given you any document to that effect?—They have given me this document: "Messrs. T. Porter, D. Murdoch, and Dan McKenzie were elected in open meeting to attend the Land Commission at Te Kuiti, and to give evidence on behalf of the Maungamangero Settlers Progressive Association, whose membership is over thirty members.—D. J. JOLL, Secretary (*pro tem*).” I may state that our block was offered under lease in perpetuity, without the right of purchase, but they were not fully aware of the conditions that the tenure entailed upon them. They only found that out afterwards. The greatest objection to these conditions is this: Suppose a man takes up, say, 1,000 acres, worth £1 an acre, and places improvements upon it that make it worth £5,000. When that man dies, his heir may be a boy only a few years old. The Land Board forces that boy or his guardians to comply with the conditions under which the land was taken up. It is practically impossible for the child to do it, and unless he can show reason why he should not his land is liable to forfeiture, and the boy suffers a loss. There is a valuation, which is all very well if it is a just valuation. But it is well known that the valuers allow only about half the real cost of the improvements. In the open market the boy could get about £4 an acre for his interest in the land, but the valuer gives him only about £2 or £2 10s. an acre. He is compelled to take that amount, and there is a complete dead loss to the family.

If that land were freehold the trustee for the boy would be able to either manage the property for him, or lease it to another person, but in this case there would be no option; not being able to comply with the conditions he would have to forfeit. That is one reason why the freehold would be so much better than a leasehold. I think that when a man is residing on his section, and has done the improvements required by the law, he ought to be allowed to use the section as he wishes, provided that he pays his rent regularly. As it is, if he wants to lease it for a short time he has to get the permission of the Board. I do not consider that he should be interfered with so long as he complies with the conditions and pays his rent.

39. *Mr. McCardle.*] Have not the valuers a fixed rule in valuing improvements?—It seems to me that they have a fixed rule that they are not allowed to value beyond a certain amount, no matter what has been the cost of the work.

40. What are your own improvements valued at?—About £2 an acre.

41. Would that pay for the bushfelling and grassing, and fencing?—Certainly not.

42. And have you done other work, such as logging-up and clearing generally?—Yes. I have done probably miles of track-cutting.

43. How much land have you cleared?—250 acres; all cleared within the last three years.

44. Have you a family?—Yes; but I cannot take them out to the section because of the want of roads, and because there is no prospect of a school. I have been compelled to buy a place in Te Kuiti for them to live in.

44A. Is it not a fact that the first cost of grassing is not the greatest, but that the work you do in subsequent years does more in the way of permanent improvement than the mere felling and grassing?—I could not say that it is the principal matter; about half, perhaps. There is a great amount of stumping and clearing, and the building of the houses, and gardening, and things of that kind.

45. Are you satisfied with the administration of the Auckland Land Board?—I have been quite satisfied except in the matter of valuation for improvements.

46. Do you think that it would improve the position of the settlers if the number of members of the Board were increased, and a representative nominated from this district were appointed?—I certainly think it would be a great improvement.

47. Do you think it would give general satisfaction to the settlers?—Yes, it would give general satisfaction.

48. How are you situated in regard to roads?—Very badly. When we took up our sections we were given to understand that our distance by road to Te Kuiti would be twenty-one miles. By the route along which we have to travel now the distance is thirty-one miles, because the road which we were told we could use has not been formed. I think the Government have failed in their contract to the settlers in not giving them this road. One settler took his wife in there, and for two or three years he was unable to get out at all.

49. Instead of the system of forming roads out of parliamentary grants, would it not be much better if the Government were to make an advance of, say, £2 for every £1 raised by the settlers for road-making by way of special loan? Do you not think by using the "thirds" in paying interest on a loan the results will be much more satisfactory?—The present system is very unsatisfactory. The "thirds" have been frittered away in various ways. If we had spent the "thirds" ourselves we could have made the roads much better than they have been made.

50. Do you not think it would be better to use the "thirds" in paying interest on a special loan?—Far better.

51. *Mr. Matheson.*] Has the Te Kuiti end of that twenty-one-mile road been formed?—None of it.

52. Was the Maungamangero Block offered first under the optional tenure?—It was first offered under the optional system, and then withdrawn and offered under lease in perpetuity. The settlers are most anxious to get the option.

53. Have you ever known the Land Board to forfeit a man's section for non-residence?—There has been no occasion. I know of one section the selector of which did not reside upon it, and I understand this has been forfeited.

54. Do you think the forfeiture was reasonable in that case?—The selector forfeited the section himself; he would not go on the land.

55. *Mr. Forbes.*] Are the settlers on these blocks felling their bush?—Yes; but there is one person there who, owing to the hardships he has to put up with, may have to forfeit and leave the place.

56. On the poster setting forth the conditions under which your land was taken up there is nothing about roads. Was anything said besides about giving you roads?—We were led to understand through the roads being marked on the advertised plan that those roads were being formed, and that they would be gone on with and completed. The fact that the roads are marked "twenty-one miles to Te Kuiti" would lead one to suppose that the roads led to Te Kuiti.

57. Do you mean that the settlers will not be able to carry on these places unless they get reasonable roads?—They are carrying on, but under tremendous odds. The cost of everything they take out is doubled—stores, wire for fencing, and stock. Instead of being able to drive cattle out in a day, it takes two days.

58. Do you not think it is a great mistake to cut up land in the back blocks unless reasonable road facilities are given to the settlers?—Certainly; the roads ought to be made first. If they are not finished before the land is offered they should certainly be made at an early stage, and the district should not be left entirely to itself.

59. *Mr. McLennan.*] Do you demand the option as a right?—Yes; I think the settlers ought to have a right.

60. Not as an act of grace on the part of the Government?—No; I do not consider it would be an act of grace.

61. Did you not know the conditions of the lease before you took up the land?—I was not aware of all the conditions—for instance, the difficulties that would arise in the case of the death of a settler.

62. You were aware that the term of the lease was 999 years?—Yes.

63. And yet within five years you demand the Government should amend the Act so as to give you the option of the freehold?—Yes.

64. You say that in the event of a tenant under lease in perpetuity dying his wife and children are put to a great disadvantage. What is the disadvantage?—That of having to forfeit the section if they cannot fulfil the conditions.

65. Have you read your lease?—I suppose I have.

66. And you found that in your lease?—I do not think it is mentioned in the lease.

67. Have you ever read the Land Act of 1895?—No.

68. *The Chairman.*] Do you say that in the leases there should be no restrictions placed upon the lessee at all—that having completed a certain amount of improvements he should be exempted from the necessity of residing on the property, and be allowed to do what he likes with it so long as he pays his rent?—Yes.

69. Do you think that any one holding land should be allowed to let it depreciate in value—say, by noxious weeds and that sort of thing?—The Inspectors of Noxious Weeds would see to that. Of course, a man should be compelled to make substantial improvements before he is given a free hand.

JAMES SMYTH examined.

70. *The Chairman.*] Are you a landowner?—I hold 307 acres under lease in perpetuity in the Arai Survey District.

71. Are you satisfied with your tenure?—Yes; and I represent fifteen settlers in the district, all of whom are very well satisfied with the lease in perpetuity. They are agreed that in letting land there should be only one system. They do not think it is fair to let one block under lease in perpetuity and the adjoining one under the optional system. They would like to have had the option so as to be able to choose the tenure for themselves. In regard to roading, they think the main roads of the colony should be a national undertaking, and that instead of fifteen years' "thirds" being given back for road-making there should be twenty or twenty-five years, for the settlers, if the district is closely settled, can generally raise a loan, and in most cases the "thirds" accruing will pay the interest on that loan. If the time were extended it would give them a great chance. In regard to the loading we also think it would be better to make it a separate charge on the land. Something in the nature of a loan that would clear itself in forty-one years at 3½ per cent. As to the Land Board, our settlers have got on very well with the Board, but as lease-in-perpetuity settlers they think they should be represented on the Board—not because they have any fault to find with the present members of the Board—but they think the lease-in-perpetuity settlers would have more confidence in the administration of the law if they were represented by one of themselves.

72. If the local body of a land district were allowed to nominate suitable persons from whom the Government should select a member of the Board, do you think such members would be sufficiently representative?—I think that would be better than an election.

73. As regards roading, do you think it would be better if a sufficient amount of loading were put on the land to provide a sinking fund which would liquidate the loan in a given number of years?—I think the present 5s. loading is sufficient to carry on the work ahead, for the settlers can borrow then, and the "thirds" meet the interest. The interest on 5s. an acre should clear itself just the same as the loans to local bodies in forty-one years.

74. *Mr. McCardle.*] How long have you been holding your land?—About fifteen months.

75. Are the settlers generally improving their holdings?—Yes; they are working on co-operative works, and also improving their farms.

76. Have you been appointed to represent the settlers of your district?—Yes. This document is my authority: "At a meeting of Totoro and Aria settlers held at Mr. Baker's residence on the 2nd June, 1905, consisting of Messrs. G. Baker, C. Heglin, E. Bennet, J. Hearn, J. Macready, R. O'Connell, H. Russell, J. Smyth, E. Davis, A. Morgan, R. J. Dunn, and P. D. Smyth, Mr. Davis was voted to the chair. After discussing various matters with regard to the existing land laws, it was unanimously decided that we be represented by Messrs. J. Smyth and E. Davies, which gentlemen were appointed to lay our views before the Land Commission, Mr. Smyth representing us if Mr. Davies cannot attend.—J. H. HEARN, Secretary." There are thirteen on this list, but the weather was very bad and it was difficult for people to get to the meeting. Since the meeting I have met three others, and they were very well satisfied that I should speak on their behalf.

77. You will soon have a County Council will you not?—We have one now—the Clifton County Council; but we want to be put into the new Waitomo County.

78. You think there ought to be a member of the Land Board representing the lease-in-perpetuity settlers: how many suitable men are there in your district?—I mean a representative lease-in-perpetuity man—not necessarily one from the district.

79. Do you not think that if you had a good working settler acquainted with the difficulties and hardships under which the settlers in the King-country labour he would represent both the occupation-with-right-of-purchase and lease-in-perpetuity selectors?—The lease-in-perpetuity settlers would not be satisfied unless it was a man holding under the same tenure as themselves.

80. *Mr. Matheson.*] Do you say that the men you represent prefer the lease in perpetuity to any other tenure?—Yes; they are of opinion that the lease in perpetuity is best for the country, and therefore best for themselves.

81. Do they think it best for themselves independent of the interests of the country?—Yes, in this way: that under lease-in-perpetuity system there will be no absentee, and therefore there will be no closing of their factories or their schools or their post-offices, whereas under occupation with right of purchase it only means a certain number of years before the holders can sell out or start subletting their property, a thing that will not occur while the Land Board has control.

82. Do you approve of the Crown acquiring land and letting it as it has been done in the south?—Yes, but at the same time it would not be right to allow the selectors to acquire the freehold.

83. Do you look forward to a time when the Crown will acquire the whole of the land of the colony and become the general landlord?—That is the time we hope to see coming.

84. Do you think that will bring prosperity to the colony?—Yes.

85. *Mr. Forbes.*] Are your neighbours residing on their sections?—This land was let fifteen months ago, and at the present time I dare say there are about twenty-four or twenty-five selectors on the block. They all have improvements done, and there are a good many buildings in the locality; in fact they are as far advanced as other localities that have been settled for five or six years.

86. For how long were they exempted from residing on the land?—For twelve months; it is pretty open land.

87. How are you off for roads?—The roads are going on. The Government Engineer is pushing on the work.

88. Then there is a reasonable prospect of your getting your roads?—We have roads up to the settlement already. We are in Taranaki province, but we use the Auckland road, from which we are able by crossing the country about five miles to get to the roads under construction in our own block.

89. Your meeting strongly supported the lease-in-perpetuity tenure?—Yes; but they thought that if the option was given to one district it should be given to all. They heard and approved my views on the land-tenure question, and they gave me a freehand as regards all other matters.

90. Then anything else you have said apart from the land question represents merely your own views?—Yes.

91. Do your neighbours wish to have the option of the freehold? Do they feel that they have not been fairly dealt with in having to take up their land under lease in perpetuity?—They do not feel it in that way. But they think that they should have had the option of the freehold, seeing that it was given in the block alongside of them. Nevertheless they say that if they had had the option they would probably have taken up their land under lease in perpetuity.

92. Then they do not say that they have been unfairly treated?—On the contrary, they think that in every other respect they have been treated well—as regards roading and matters of that kind.

93. What is the size of the holdings in your block?—From 200 to 1,000 acres.

94. Do you think it is a good plan to cut up this rough country into too large areas?—If it is not rough country it is better in lots of 300 or 400 acres. It is no use cutting it up into small areas. It is a bad thing to have a big section among small ones if it is good country, because the holders have no interest in common with the small man.

95. To what use do you put your land?—We intend to start dairying as soon as we get the roads made.

96. What is the price paid for the land in your block?—From 10d. to 1s. 3d. per acre.

97. Would you say that that price is fairly reasonable?—There is no question about the price. The settlers think they have made a good bargain.

98. *Mr. McLennan.*] Are you afraid of the trades-unions bringing about a revaluation to your land?—That would be breaking the agreement, and I do not think any reasonable man would be in favour of doing that.

99. *Mr. McCardle.*] Are you aware of the agitation raised on this point by the Trades and Labour Conference in Wellington?—I am aware of it, but I think we can afford to laugh at it. If they could alter the laws in regard to the revaluation of lease-in-perpetuity holdings they could also interfere with the freehold.

100. Would it not be better to act against them than to laugh at them?—We have the freeholders to act with us, because they have a common interest with us in the matter.

101. Suppose the labour party were to put in a Government which would give effect to their wishes, where would the strength of the farmers be?—If it ever comes to a contest I am with the farmers in the matter. But it would never come to that because there is too much common-sense among the representatives of the people.

JAMES SUMMERFIELD examined.

102. *The Chairman.*] Do you hold land?—Yes, I hold 1,100 acres under lease in perpetuity at Maungamangero.

103. Do you reside on the land, and have you made improvements on it?—Yes.

104. You have heard what has been said by the previous witnesses?—I heard only the latter part of Mr. Porter's evidence. I think that we settlers should be given the right of purchase considering the hardships we have to put up with in the way of roads. I think the roads should be pushed on faster than they are. When we took up the land it was stated plainly that we would only have twenty-one miles to Te Kuiti by the main road. In point of fact we are about twenty-seven miles from Te Kuiti. My section is the first in the block that was taken up, and the road has just got passed my lot and has not yet gone beyond the second section. The settlers further back have no roads at all, and they are mostly men with families. One man four miles back from me has a wife and six children, and his wife has to stop out there for the mud in the road is up to the saddle-girths.

105. You think this is greatly against the settlers; that it retards settlement?—Decidedly.

106. You think the Government should use more expedition in pushing through the road when a district is first settled?—I do.

107. Are there many lease-in-perpetuity settlers in your district?—Yes.

108. Do you know the minds of the people there?—They are unanimous that they should have the option.

109. Did you hear the evidence of the last witness?—He is not in our block. He and his neighbours must be greatly favoured in comparison with us. Possibly they come under the Bush and Swamp Settlements Act, which gives exemption for four years. That is the kind of district that gets roads, and we who are paying rent get hardly any roads.

110. Have you taken any notice of the administration of the Land Board?—I am satisfied with the Land Board.

111. Do you think it would be an advantage to the district if the number of members of the Board were increased and a member appointed from your district who has knowledge of the requirements of the settlers?—I have never thought about it. In fact, the Land Board seems to give general satisfaction and I would leave it as it is.

112. Then do you not approve of having representatives of the districts?—I suppose it would be an advantage to have a man who would represent us on the Board.

113. Have you had experience of the advances to settlers system?—Yes, and it has been satisfactory.

114. *Mr. Forbes.*] What do you pay for your land?—About 8d. an acre.

115. Have you much of it cleared?—Over 200 acres.

116. What does it cost you to clear and grass the land?—From £2 to £2 10s. an acre according to the price of the seed and the heaviness of the bush.

117. Are you successful in getting burns?—Fairly so.

118. When you got the bush felled and the land grassed, what stock will it carry: how many sheep to the acre?—The country is rather new for sheep, but if it takes a good sole of grass about 100 acres of it will carry about forty head of cattle, taking the young and the old together.

119. How are you off for roads?—Fairly well. There is a 6 ft. track and we can drive on it in the summer time, but from May to December you cannot get heavy traffic along it.

120. Are most of the people residing on the land?—All except one, and he lives in Christchurch and has exemption from residence for four years.

121. Do the Rangers cause you any trouble?—No. Of course, we have had our improvements done beyond the requirements of the Act and they do not harass us in any way.

122. It has been complained that the Advances to Settlers Office do not make advances in reasonable proportion to the value of the improvements?—I believe that too. They gave me about one-seventh of the value of my improvements.

123. You think you are entitled to more?—I think any one going out there is entitled to half the value of his improvements. They are substantial improvements, such as grassing and buildings.

124. It has been suggested that advances should be made up to three-fifths of the value of the improvements. Would it be safe if provision were made that, say, two-thirds of the money advanced should be used in making further improvements: would that be a help to the settlers?—I am sure it would.

125. *Mr. McLennan.*] Is there anything in your lease to prevent you from putting improvements on the property equal to those who had the option of purchase?—I do not think so; but when you hear agitations in Parliament every year for having the land revalued it makes you anxious.

126. But even if there were revaluation that valuation belongs to you?—Yes; but why should we slave for twenty years and then have our properties revalued and have to pay higher rents for our improvements?

127. As a reasonable man do you think that any Government would bring in a Bill to revalue the present leases?—I do not think the heads of the Government would, but what is to prevent a lot of members bringing forward a private Bill and getting it passed.

128. Would the public at large permit such things to be done?—I do not think they will in the future.

129. Do you think the Farmers' Union has as much to do with this agitation and unrest as the trades-unions?—I have had no dealings with the Farmers' Union.

130. *The Chairman.*] Your only reason for anticipating the revaluation is the agitation raised in the city?—That is the main reason, and you generally notice that before anything is done in such matters there is an agitation about it.

131. But you have heard nothing outside that agitation which has caused you to expect revaluation?—Nothing.

132. Would any country tolerate its Legislature repudiating the titles to land?—One would not think so, but if the Government get what is called "hard up" and want to raise more revenue they might put a bigger rent on you. There is no telling what they might do if they got hard up.

133. Would it not have the same force if the agitators asked to have the freehold broken up as to have leaseholders' titles interfered with? Is not a title given for 999 years as sacred as one given without limit?—It is as far as we are concerned, but while the land belongs to the State they are more apt to tamper with their own land than with other people's titles.

134. It will only belong to the State at the end of 999 years or on forfeiture?—Yes; but the State is our landlord and not the freeholder's landlord. The freeholder holds his own title but the State keeps ours.

135. *Mr. McLennan.*] Are you aware that the freeholders as well as the leaseholders are paying taxes—that the machinery for taxation is provided already?—Yes.

136. Then is it not far easier for the Government to put on two or three more screws than to break the agreement?—I do not know. When the freeholder gets extra taxation we leaseholders will be taxed too. When they put the screw on the freeholder they will put it on us too.

DAVID MURDOCH examined.

137. *The Chairman.*] Are you a landholder?—Yes; I have 712 acres in the Maungamangero Block. I am one of those appointed to speak on behalf of the Settlers' Progressive Association.

138. Do you agree with what a previous witness, Mr. Porter, said?—Yes, I agree with all he said.

139. Is there anything fresh that you wish to bring before the Commission?—I have some personal grievances, though I do not particularly wish to air them. In the matter of roads I do not think the Government have kept faith with the settlers. In my own particular case the nearest point on a road that a dray can get along is about 80 chains from my corner. There has been some work put in hand at that particular part, but the work has been abandoned by the contractors, and the track to my place I had to make at my own expense. Then, the bush all along my frontage is still standing there, and although the conditions of my lease force me to make certain improvements, I cannot fence or comply with the conditions because of this standing bush, and I am not allowed to cut down the bush myself because the Road Engineers say that when they are forming roads it is much easier for them to clear away the standing trees than to grub up the stumps. I have written to the Land Board about this bush standing on the road-line, but in their reply they said nothing about it except that the matter was under the Public Works Department.

140. Do you consider the Government are not doing as much towards roading as they should do?—Yes; the want of roading is a great hindrance to the progress of the district.

141. *Mr. Matheson.*] Have you had any business with the Advances to Settlers Office?—No.

142. Do you think it would be a good thing for the colony as a whole if the right of purchase was given to the Crown tenants?—I think it would.

143. Why?—Because a large number of the present holders would pay land-tax, not that any one particularly wants to pay land-tax.

144. Do you not think it would tend to make the country more prosperous if all settlers were freeholders?—Yes.

145. *Mr. Forbes.*] Is it the wish of the lease-in-perpetuity tenants to pay land-tax?—No; but they would rather pay that if they could have the freehold-tenure.

146. When you went into this block you knew the conditions of your lease?—No; I had not read the lease at that time.

147. Do you think it businesslike to take up a block of land without knowing the conditions?—It is not very sound business, but in any case there was no option. I have been an applicant for land for I do not know how many ballots, but I was never fortunate enough to strike a section.

148. How many ballots have you gone in for?—I cannot remember the exact number, but ever since I was eighteen years of age I have been applying for land at different times. But for eight years of that time I had a place of my own. A man holding a lease-in-perpetuity lease in this block is in a different position from a man holding the same sort of lease under the Land for Settlements Act in another part of the colony. The conditions are slightly different. I think the climate is more moist than in other places and the nature of the soil is different. It does not come into grass as quickly.

149. You think as a compensation a settler going into the back country and undergoing these hardships should receive some consideration?—Yes; I think he should be given the option of getting the freehold.

150. But having taken it up with your eyes open you are not saying the Government should not keep to the terms of the lease?—No; I have no objection to raise on that score. Of course, I would like to better my position, but I do not say I have been treated unfairly in any way.

151. You think it would be an act of grace on the part of the Government to give you this as compensation for having gone into the back blocks?—Yes.

152. Do you think that it would be of more advantage to you to get roads rather than to get the freehold?—Probably it would.

153. *Mr. McLennan.*] Is there anything in connection with your lease to prevent you from making improvements on your property as other people do?—I do not think so. Possibly a tenant might not feel so disposed to improve as a freehold settler, but it has made no difference in my case.

154. *The Chairman.*] Do you consider the rental charged on lease in perpetuity is reasonable?—Yes.

155. Do you think the wish for the freehold is partly sentimental?—Yes, partly.

DANIEL MACKENZIE examined.

156. *The Chairman.*] Are you a landholder?—Yes, I have 660 acres in the Maungamangero district.

157. Do you reside on it?—Yes, and the place is partly improved.

158. Are you satisfied with your tenure?—Yes, up to the present. It is lease in perpetuity.

159. You have heard what the previous witnesses, Messrs. Porter and Murdoch, have said. Do you concur in that?—Yes.

160. Have you anything you wish to bring before the Commission yourself?—With regard to the Advances to Settlers Office, although I have had no dealings with it as yet, I do not see why a settler should not get an advance on the full value of his improvements on a bush section. I do not think a half is sufficient.

161. You think if a certain portion of the advance is to go into permanent improvements on the section you should get equal to the full amount of the present improvements?—Yes.

162. *Mr. Matheson.*] Suppose a man takes up 500 acres and fells bush or does other improvements costing £500, do you think the advance should be up to £500?—I certainly think so.

163. Do you think if he spends half of it in further improvements he should get it?—Yes.

164. That would leave him with £250 to do what he liked with?—Yes.

165. Do you not think there would be a great danger that some men when they got the advance would put it into their pockets and clear?—No, because he would be sacrificing half of his improvements if he went off.

166. Do you not think it would be better if the State withheld one-half the advance and only paid the money out when they saw the additional work was done?—Yes, perhaps it would.

167. *Mr. Forbes.*] Do you think the residential conditions on this land press hardly upon the settlers?—In some localities I know some of the settlers would not have taken up sections if they had known there were no schools. There are men whose children have to go without education, and it is a bad look-out for the State if they allow the rising generation to go without education.

168. Has there been any case where the Land Board has been hard on the settlers with regard to residence?—I do not think so, and I think residence conditions should be strictly enforced when facilities have been provided in the way of schools and roads.

169. You think residential conditions should not be enforced until proper communication is afforded the settlers?—That is my opinion.

170. The fact of having neighbours in these back blocks is of very great value?—Yes.

171. *Mr. McLennan.*] Do you cultivate any of your land?—I do as much as can be done in this country, but you cannot grow crops when you have stumps all over the place. I have grassed over 150 acres of it.

172. What grasses?—Just the ordinary English grasses, such as cocksfoot, clover, rye.

173. Does ryegrass grow well here?—It starts well enough, but I do not know how it is going to hold.

JEREMIAH ORMSBY examined.

174. *The Chairman.*] Do you hold land in this locality?—I do not hold any Crown lands but I have different areas of Native land. I could not tell you the exact area at the present moment.

175. You wish to bring some matter before the Commission?—I should like to speak on the question of Native-land tenures if it is within the scope of the Commission. There seems to be a prevalent idea among Europeans that there should be free trade in Native land. I am not at all a believer in that, and the Natives in this district are totally against it. We think all dealings with Native land should be under certain restrictions. The present method of dealing with Native land is exceedingly bad both for Natives and Europeans, and I am surprised that other witnesses who have given evidence to-day have not mentioned the hardships that it entails on European settlers if Native lands are not contributing anything to the rate revenue of the district. I hope the Commission will look into this matter as it affects a large portion of the North Island. We are at present debarred from either leasing or selling land except by permission of the Government, and that permission is very hard to obtain as it entails a great deal of expense and there are very few who are able to bear it. We had a meeting here some time ago and the question of whether these restrictions should be removed or not was thoroughly gone into, and the opinion of the meeting was that *papakāingas* or rather reserves should be made for the Natives, and that any surplus lands should be administered by the Native Land Council. The owners it was considered should not be allowed to do as they liked with these surplus lands, but it should be under supervision. We have had free trade in Native land in the past, and the carryings-on of that time I do not think should be allowed to take place again. I am convinced that 75 per cent. of the Maoris at present are incapable of dealing with their lands. But we are anxious that those lands should be dealt with, because as settlement proceeds it is very hard that so much of the land should be lying idle and contributing nothing to the rates. But then it is unfair to rate Native lands until there is some reasonable opportunity given them to dispose of their lands so that they may pay rates, and to ask Maoris at the present time to pay rates is like asking a man to fight with his hands tied. We are satisfied that if the Council constituted under the Native Lands Administration Act were given full power to deal with this matter it could be settled satisfactorily. One great trouble at the present time is the fixing of the titles, and it is almost beyond the power of Natives to get their titles settled without some assistance from the colony. The settlement of the Native land is practically demanded by the colony, and I do not think the expense of ascertaining the titles should be saddled altogether on the Natives. Now, take as an example a small block of land of, say, 400 or 500 acres, when the owner gets his title to it and pays the survey fees it costs a good deal of money, perhaps running into £40 or £50, and in the past the Government have been buying land for from 10s. downwards. Well, even if they have to sell a lot of this land to pay for expenses it is a big slice off the land after the titles are investigated. You will see, therefore, it is a very heavy cost for the Maoris to have to pay. To remedy this the first thing I think would be for the country to pay for the fixing of reserves for the Natives, and then I think the balance of the land should be handed over to the Native Land Council to administer under the Native Lands Administration Act, if that Act is amended. The great reason why the Act now is unpopular with the Natives is that in the first place the Natives are asked to hand over land to the Council, and there is no limit set to the time the Council may hold it. This very township furnishes an example in point. We have handed this township over to the Council, and the Council can practically do as they like with it. There is no limit set to the time they can hold it, and that is very unsatisfactory. The amount the Council may deduct for expenses is unlimited, and of course people do not care to hand land over to the Council under those circumstances. Another thing that could be greatly improved is in the matter of Natives exchanging with one another. A Native may hold interests in twenty or thirty blocks of land, and to make an exchange it may cost him anything from £5 upwards. The fact of his holding small interests in different blocks presents great difficulties, and expense is the great bar to exchanging. If exchange were facilitated, and if they were allowed to sell even in some cases and buy other land so that it would consolidate their interests, it would be a great improvement.

176. Do you think the present machinery for dealing with Native land is too cumbersome, too expensive, and too tedious in its operations?—Yes.

177. Do you think the Natives as a whole would like to have their lands dealt with in a fair way, provided there was not too much eaten up in expenses?—Yes, they are very anxious to have them dealt with.

178. Of course with reservations for their own use made inalienable?—That is so.

179. *Mr. Matheson.*] How many Maoris were present at the meeting you spoke of?—There might have been about three hundred.

180. What size do you think the reserves should be that the Council should make for Natives? Five acres might be sufficient for some Natives, while 200 or 300 acres would not be sufficient for others. It should be left to the Council to supervise.

181. Would you judge of the size by their heritage or their fitness for working the land?—I should say by their ability to work the land. For instance, in the case of an old man land would be of no use to him. Sufficient to put a whare on would be enough for him; the rest might be disposed of and the money invested for his benefit.

182. Suppose there were two able-bodied men, would you give them an equal acreage?—I think so.

183. Might you not then be in this difficulty: that one might be hardworking and the other lazy?—If there was a Council to inquire into these things and they made a mistake it could not be helped, but there certainly should be some person or body to supervise.

184. If the colony recognise the need of sharing the expense of ascertaining titles, what proportion of expense do you think the colony should bear?—I should like it to be about 75 per cent.

185. Do you think there ought to be any means taken to recoup the colony in the future out of the revenues derived from these lands?—That might be arranged but I think the colony ought to bear the greater part of the expense. This matter is being forced on the Natives by the demands of settlement and civilisation, and it would not be fair that everything they have should be eaten up in expenses.

186. You agree, I think, that it would be a great benefit to the Natives if some better use was made of this land, and if the Crown assists him in that direction is it not reasonable that there should be a sinking fund to pay back these costs in time, even if it takes fifty years to do it?—I think something should be paid by the Natives, but the greater portion should be paid by the Government.

187. Do you think the Council's power should be increased so that it would not be necessary to submit matters to Cabinet for approval?—Yes.

188. *Mr. Forbes.*] You say the Natives do not believe in free trade in Native land. Under what system would you settle the lands if they were offered to the public? Would you lease with the right of purchase or lease for a number of years?—You will understand there are some Natives with very little land, and others with a large quantity. I should say after fixing a certain amount and making it inalienable, the surplus land they should be allowed to sell or lease under the supervision of the Council.

189. *Mr. McCardle.*] Is it not a fact that a large portion of country around here could be settled if the Natives had the power to deal with it through the Council?—Yes.

190. The difficulty I suppose is owing to long delays, principally on the part of the head of the Native Department at Wellington?—Yes, it takes a good deal of time to get the approval of the Native Land Council, and then the Government may take six months considering whether they shall agree or refuse to sanction the transaction.

191. Do you think before the Native Land Council approves of a lease a valuation of the land should be made and the Council should decide how much of that land should be contained in one lease? I do not approve of any one taking up too much land.

192. Should not the Council have power to say before a block of 2,000 acres is parted with whether the land should not be more profitably occupied in areas of 200 or 300 acres?—I think the Council should certainly use discretion in that respect. I would not approve of the Council granting a lease over a large block of land, or selling a large block of land where smaller areas would be more beneficial to the district.

193. *The Chairman.*] You consider it would be unwise to allow free trade in Native land on the ground that it would lead to land speculation and other evils?—Well, the principal reason for my objection is that very few Natives would have any land at all if free trade were permitted. They would lose it all within a year or two, and then it is unsatisfactory to have private people dealing with these lands before the titles are settled.

JAMES REHILL DALY examined.

194. *The Chairman.*] Are you a landholder?—Yes, I have 885 acres under lease in perpetuity in the Maungamangero Survey District.

195. Are you satisfied with your tenure?—I believe the occupation with right of purchase is better.

196. You have heard the several previous witnesses who have favoured the occupation-with-right-of-purchase tenure to-day. Do you agree with what they have said?—They have voiced my opinion pretty well.

197. *Mr. McCardle.*] Do you know whether the Roads Department is spending money fairly and equally amongst the settlers?—I do not know how it is being spent, but I know the old people will be dead and the young ones will be old before we have roads.

198. Do you not think that the older settlers should have the first consideration in the expenditure of money on roads?—I dare say.

199. We have had evidence to-day that a settler who has been for five years on his section is a long distance from a road, while there is a large amount of road-work going on around the settlement that has been in existence only fifteen months?—I know that to be a fact, and I cannot make it out. I am at present ten miles from a cart-road or track, and we have had to cut our own back-track.

200. Have you had any experience of the Land Board?—No, but I am satisfied with the present Land Board.

201. Have you had any dealings with the Advances to Settlers Department?—Not personally, but those who have had are not satisfied.

202. *Mr. Forbes.*] How did you come to take up a lease-in-perpetuity section if you are not satisfied with it?—When I came I was satisfied, but I find it is not nearly as saleable as land over which there is the right of purchase. I believe the lease is secure enough, but I know that money can be raised on an occupation with-right-of-purchase section much easier.

203. Why is this lease in perpetuity not so saleable?—Because money cannot be raised upon it.

204. Will the money-lenders lend on an occupation-with-right-of-purchase section?—Yes, because they can buy and make it a freehold.

205. But they cannot buy until after ten years of residence?—I do not know the length of time.

206. *The Chairman.*] Do you think it reasonable that the question of facilities for selling the land by settlers should be taken into consideration when the lands are being loaded for *bonâ fide* settlement?—I think so. I think people should be able to get their money out of it whenever they want to.

207. Does that not look like speculation?—No. People may simply want to get back their money.

ONGARUE, TUESDAY, 6TH JUNE, 1905.

WALTER KEITH WILLIAMS examined.

1. *The Chairman.*] What are you?—I am a settler. I hold a Maori lease in the Ohura district of between 3,000 and 4,000 acres. I have large improvements on it in the shape of grass, fencing, and stock.

2. Is there anything special that you would like to bring before the Commission?—I would like to state that our roads are in a very deplorable state, and that on account of this many settlers at Ohura have been unable to come here to-day, and they have asked me and Messrs. Hunt and Hyde to represent their views.

3. Is the state of the roads due to the fault of the Government or the local body?—So far as the local bodies are concerned, we would like to be cut off from the Clifton County. We are at the extreme end of the Clifton County, and the Council get our rates and “thirds,” and they do nothing for us with the money. It is the wish of the settlers at Ohura to become separated. So far as the Government and their administration of the Land Acts are concerned, I think we are generally satisfied.

4. *Mr. Forbes.*] Who are the people you represent?—The three of us have been asked by a great number of settlers in the Ohura and Aria Survey Districts to represent them.

5. Under what tenure are they holding the land?—At present under lease in perpetuity and improved-farm settlements, besides a few Maori leases.

6. Are these special-settlement settlers satisfied with their tenure and conditions?—Under the present circumstances they seem satisfied, but most of them would like to have the option of acquiring the freehold if they could do so in the future.

7. Are they making any headway at all?—Yes, they are all working dilligently on their sections. They are felling the bush and grassing the land, but they are not getting any returns yet.

8. Are the roads the great trouble?—Some have no roads at all. They have to pack and carry their food and materials through the bush.

9. How do they keep going?—The Government assist them by paying them for their bushfelling and supplying them with grass-seed, and allowing them so-much for building houses. That is helping them along.

10. Do you think there is a good prospect of success before them?—The soil right through is supposed to be the best in New Zealand, and the people have very great heart. All they want is roads.

11. Are any roads being formed in the vicinity?—Yes, the roads are being made, but very slowly. We are unfortunate in being on the border-line between Auckland and Taranaki, and in Taranaki they seem to be pushing the work ahead quicker than in the Auckland Province.

12. *Mr. Matheson.*] Are they doing the road-work by co-operative labour or contract?—By co-operative contracts.

13. Are the men satisfied?—I think so. It lies with the Engineer whether the work is satisfactory.

14. Do they pick their own men?—Yes; it is really a system of small contracts, only the work is done on the co-operative principle, which has proved very satisfactory to all connected with it. The price is fixed before the work is taken up.

15. Have you had any business with the Advances to Settlers Office?—Not personally.

16. What is the feeling with regard to tenure?—I think I may safely say that 80 to 90 per cent. are in favour of the option of purchase.

17. How do you look at it as an outsider. Do you think it would be good for the colony if the option of purchase was given to them?—Personally, I think it would be. They would become more attached to the soil, and they would become free British subjects, and they would be more satisfied in every respect.

18. *Mr. McLennan.*] Do you think the roadwork could be done better by the County Council or by the Government?—That is a question I have not considered.

19. Did the tenant under lease in perpetuity have the option of taking the land up under occupation with right of purchase?—They did not. They had to take it up under lease in perpetuity or leave it alone. They feel very keenly about it because the adjacent blocks were let under the optional system. They ask for the same privilege. They do not wish to restrict any one who desires to do so from taking up land under lease in perpetuity.

20. Are they putting good improvements on their properties?—Yes, considering the distance they are back they are doing very well.

21. Would they do more improvements if they had facilities in the way of roads and bridges?—It would give them greater heart, and they would be able to do their improvements cheaper.

22. Do you think if they had roads to take their stock in and out from their holdings that they would be so anxious to obtain the option of purchase?—I think the majority rather prefer to have the option later on when they could afford to buy the freehold.

23. How long have they been on the land?—The first block was opened from two and a half to three years ago, and others have been thrown open since.

24. *Mr. McCardle.*] Are you satisfied with the operations of the Land Board?—Yes. We are under the Taranaki Land Board, and they have dealt very fairly with the settlers, but I think it is only fair to the settlers, as all their interests are at stake, that they should elect at least two out of the four members of the Board.

25. *The Chairman.*] Is the Ohura land the very good land it gets credit for?—My opinion is the soil is real good.

THOMAS DEVERE HUNT examined.

26. *The Chairman.*] What are you?—I am a settler. I hold 470 acres under lease in perpetuity in the Ohura Land District.

27. You have heard the evidence of the previous witness. Do you agree with the opinions he expressed?—Yes.

28. Is there anything fresh that you can lay before the Commission?—I think that Mr. Williams has touched on all the points the settlers agreed upon. I was asked to form one of the deputation. The settlers had a meeting and discussed the matters in general, and I think Mr. Williams has expressed their views pretty clearly. I have nothing more to add.

29. *Mr. Forbes.*] Were there many present at the meeting?—Yes, a good number. All who spoke to us were in favour of the option of purchase. The settlers feel very sore at having been debarred from taking up the land at Ohura under the option system when other lands in the vicinity were thrown open under the optional system.

30. If all the land was under lease in perpetuity, would they have the same feeling?—Perhaps if the whole country was under that tenure it would alter matters. These lands are principally bush lands, and the settlers have been there about three years.

31. Have you got a school?—No, but I believe tenders were called for a school at the last Board of Education meeting.

32. Are any of the settlers earning a living off their sections?—They principally depend on outside work such as roadwork and Government work. The Government are making roads slowly, and the settlers get first chance. The roads are very bad, and I may mention that last week the settlers had to form a working-bee to make the road passable at one or two points.

33. How long do you think it will be before your roads are finished at the rate they are going now? Not for a very long time indeed. All that land has been loaded for roads, and very little money has been expended. This place is our outlet, and I live about nineteen miles away. The road is all formed, but owing to the heavy nature of the land and low-lying flats, the road becomes impassable after heavy rains. There is no local body. The Government Engineer for the county is the sole man in charge. The settlers have been so busy getting their improvements done that they have not given the question of local Government the attention they should have done. However, I suppose in the future we will look more closely after these matters. We are paying rates to the Clifton County Council for the Ohura main road.

34. *Mr. Matheson.*] Has your experience of the Land Board been satisfactory?—Yes.

35. Have you had any business with the Advances to Settlers Office?—No.

36. Do you think it would be a good thing for the colony if all the Crown tenants were granted the right of the freehold, or do you think it would be better if every one was a Crown tenant?—I think we could get a more independent peasantry if the people had the freehold or the right to acquire it.

37. Is most of this roadwork being done out of Government grants?—Yes.

38. Do you think it would go much further if it were spent at the right time of the year?—I am sure of it.

39. How is it that it is spent at such a foolish time?—I cannot understand, unless it is that the money is only available about the beginning of winter. If the grants were available in the spring or summer it would result in pounds being saved.

40. *Mr. McLennan.*] Are the Crown tenants putting improvements on their holdings?—Yes.

41. Does the lease-in-perpetuity tenure prevent you from improving your holding?—No.

42. You have no fear that eventually the Act may be amended to revalue your property?—Yes, I have that fear.

43. Is it that fear that is causing unrest among the Crown tenants?—It helps a good deal. And when a man has a freehold he is free from restrictions, and his place is his own, and he can do what he likes with it. He could will it to his children, whereas now it cannot be willed without the sanction of the Land Board.

44. And if he wants to sell it, will it be easier to dispose of as a freehold?—Yes, and if the settlers want to start an industry such as a creamery or cheese-factory, they will have better security. We have no security at present, because money-lenders will not look at the lease-in-perpetuity sections.

45. For what reason?—Because if anything happens to the man holding the section, the next tenant who comes in is not responsible in any way. The money-lender cannot touch the land, and he does not like to advance money on the security of improvements.

46. They will not advance money on improvements?—Not in cases like that.

47. You have not tried it?—No. Of course I am not referring to the Government, but to the private money-lender.

48. Do you think there is any chance of a revaluation Bill being introduced?—If the present Government keep in office they will fulfill their agreement, but we do not know what another Government might do.

49. Do you think any Government would break an agreement entered into between the Crown and tenants?—They will be led by public opinion.

50. Do you think the public will ever favour breaking an agreement entered into between the Crown and tenants?—No; but so long as both parties are agreeable, I do not see why the freehold should not be granted.

51. Have you a Farmers' Union?—No.

52. *Mr. McCardle.*] I suppose you are aware that there is an agitation going on now, and that the programme put forth by the leaders of the labour party in the cities is to allow your lease to run on until you die and then revalue your holding, and force your widow and heirs to pay an increased rental-value on the land, or if you find it necessary to sell your interest to charge the incoming tenant a rack-rent?—Yes; I see that is the proposal.

53. Is that not enough to make the Crown tenants feel dissatisfied with the leasehold and anxious to be placed on the same footing as the freehold settlers or those under occupation with right of purchase?—Certainly.

54. Would many have taken up land under lease in perpetuity if these blocks had been thrown open under the optional system?—I can safely say that 80 per cent. are willing to pay the 5 per cent. to get the right of purchase.

55. If the settlers in this district had the right to acquire the freehold, would they be prepared to pay the 1 per cent. that is being lost to the State during the time they have been in occupation under lease in perpetuity?—Most certainly.

56. *The Chairman.*] Do you think any attention should be paid to the agitation carried on by a section of the people in the town who want the Government to break down titles given to land?—Certainly. This is a free country, and everybody has a right to express his opinion.

57. Do you think any Government would attach any importance to such opinions?—Well, considering these town people are not nearly as interested in the question as the settlers, I think the settlers' opinions should have most weight.

58. Do you think any Government would be justified in doing such an outrageous thing as to break down a title legally given to land?—Not unless both parties were agreeable.

ALFRED HAMOND HYDE examined.

59. *The Chairman.*] What are you?—I am a sawmiller in the Ohura district, and I hold 297 acres under lease in perpetuity. I have felled and grassed a good part of it.

60. Do you consider that a good tenure?—I would much prefer the right of purchase. I am quite prepared to pay the additional 1 per cent. for the option of purchase. I may say that I am one of those asked to form a deputation to the Commission.

61. Do you agree with what has already been said?—Yes.

62. Is there anything fresh you can bring forward?—We think we should get more money spent on the roads than is being spent at present. We had to form a working-bee the other day to make our road passable. We have no local body, but we intend to hold a meeting to see if something cannot be done to form one.

63. *Mr. Forbes.*] Why are you dissatisfied with the lease in perpetuity?—Well, we are endeavouring to start butter-factories and creameries, and it seems that the companies are not very favourable to advancing money unless they have some better security. If we had the right of purchase we consider we would have more security than we have under lease in perpetuity. Then we have a great deal of trouble if we wish to sell out. We have to get the sanction of the Land Board. I may say I have had no personal experience of that yet.

64. Have you ever known a case where the Land Board has refused a transfer?—No; but they can do so.

65. But you have not got anything to complain of about the administration of the Land Board?—No. I believe they have treated the settlers fairly. It is the opinion of some of the Crown tenants that they should be represented on the Land Board, but that wish has not been brought about by any unfair treatment on the part of the Land Board.

66. *Mr. Matheson.*] Have you considered the wisdom of raising loans under the Government Loans to Local Bodies Act to form your own roads?—We have thought the matter over.

67. Were the settlers to do so do you think the Crown would be doing a wise thing to grant them a subsidy of £1 for £1 on money so raised?—Well, I think, personally, it would be better to let the Government make the roads first and let the local bodies take them over and maintain them.

68. If it is impossible for the Government to make all the roads and the settlers raise the money as I have suggested, do you think it would be wise for the Government to give them a subsidy of £1 for £1?—I think so.

69. *Mr. McCardle.*] Do you not think, in view of the fact that the Government are really committed to make the roads for the settlers, that if the settlers raise a loan themselves the Government should go further than £1 for £1, and give £2 for every £1 so raised by a district such as yours?—It is a question we have not gone into, but we require a lot of money in a new district like ours. Our roads are somewhat difficult to make.

70. Would the settlers be able to pay a rate equal to the rent they are paying on the land at the present time?—That would make a very high rental, and it would take some of us all our time to pay.

71. Do the settlers in asking for the freehold consider it will be in the interests of the colony for the Government to grant it?—Yes. They fail to see where the colony would lose, and if they paid up the £1 deducted under lease in perpetuity there would be a financial gain to the colony.

72. *The Chairman.*] Under the Government Loans to Local Bodies Act a good many districts have got money at a very low rate of interest?—Yes.

73. When the Government have done all, if they ever do, they are supposed to do in the way of roadmaking in your district do you not think it would be a good plan for the county to go in for a loan from the Government at a low rate of interest, with a sinking fund attached and push on with the roads?—Yes, I think it would be.

73A. Do you think the Government should do their part before the Council takes the roads over?—I certainly think so.

CHARLES JAMES RYAN examined.

74. *The Chairman.*] Are you a landholder?—I hold 300 acres under lease in perpetuity in the Ohura Valley.

75. Do you agree in general with what the previous witnesses said?—As a settler I see nothing wrong with the lease in perpetuity; I am quite satisfied with it. I think it would be bad business, even if I had the cash in hand, to buy the freehold to-morrow. It would be to my advantage to hold the money and use it in other ways.

76. Is there any other matter upon which you wish to speak?—The question in which I am most interested is that of the work on the main road. The expenditure of the money seems to be always left to a very bad time of the year. Instead of starting in the summer time they leave the work to be done towards the end of the season, and the money is almost thrown away. I do not quite know who to blame in the matter, but I believe that the Roads Department state they do not get the money to spend at the proper time.

77. Should not the money be voted in such a way that it would be obtainable at the proper time of the year?—That is my grievance against the Government. I think they are very lax in the matter.

78. Should not the money be voted at such a time that it will reach the local bodies in the spring or the early summer?—Certainly. I am speaking, however, of the main road. There is a considerable amount being spent on the branch roads all the time. It is the money spent on the main road that is mostly wasted.

79. If the rules of Parliament prevent the money being voted early might it not be guaranteed, so that its expenditure might be anticipated?—That would be better than the present practice.

80. *Mr. Forbes.*] Have you any fear of the revaluation of the lease-in-perpetuity holdings?—A certain section of the public are agitating for it, and I would say that if there is danger of revaluation give a man the option straight away.

81. Do you think it is reasonable to suppose that Parliament or the people of the country would break one of these leases, and insert a revaluation clause?—We do not know what the people might have to do. When the population increases they might do many things. For instance, under the Land for Settlements Act they can take away a man's freehold after paying for his improvements. When they could do that there is nothing to prevent them from revaluing the leaseholds.

82. Are not all land-tenures subject to the overruling of Parliament?—Has not Parliament power to bring in legislation affecting either freehold or leasehold?—It appears so.

83. Might there not be just the same fear about their touching the freehold as the leasehold?—They have the authority.

84. If there is any fear about the leasehold ought not the freeholders to feel the same kind of fear?—I do not know; because under the lease in perpetuity you are exempt from taxation, whereas the freeholder is paying a tax according as the value of his land increases. The outside section of the public might say that it was a bad bargain to give a lease in perpetuity, and in time they might introduce an Act to increase the rental.

85. Do you not think that the lease-in-perpetuity man ought to pay taxation?—I think it is feasible that he should do so; but if he pays taxation you might as well give him the freehold straight away, for there would be no advantage then in the lease in perpetuity. I consider that the lease in perpetuity is a good thing for a man that has it. In twenty years' time, when there are macadamised roads and railways, I reckon that I shall be in a good position.

86. Is not the lease-in-perpetuity man subject to taxation?—No.

87. The goodwill a man may have is subject to taxation. If your land is worth £1 an acre and is valued for local purposes at £4, you are, after the £500 exemption, liable to taxation?—Then there is not such a great difference—simply £1 or £1 5s. an acre to pay less taxation on. I do not in that case consider that they should be justly exempted.

88. *Mr. Matheson.*] You say that lease-in-perpetuity settlers have a good bargain: if some of them want to pay the Government the capital value of the land, does it seem to you that it would be good business on the part of the Government to let them?—I think it would be better for the State as a whole if all land in the colony were under lease in perpetuity.

89. Do you think if they were all State tenants it would be good for the colony?—Yes.

90. Seeing that your lands are loaded for loans do you consider it is your money that is being wasted by carrying out roadworks at the wrong time of the year?—Yes, I share with the rest. Our land is loaded to the extent of 10s. to 15s. an acre, and we are paying interest on the money.

91. *Mr. McLennan*] Is there anything in the lease in perpetuity to prevent you from putting improvements on your holdings equally with the freeholder?—No. I reckon that I am as good a farmer under the lease in perpetuity as I would be under a freehold, except that there are difficulties in regard to borrowing. Still, if you were a freeholder and borrowed money, you would be a tenant of such financial institution or some money-lender instead of a tenant of the Crown.

92. *Mr. McCardle*] Is not the expenditure of votes solely in the hands of the Engineer of the district?—Yes.

93. And when Parliament votes money is it not available as soon as the Public Works Department say that they are ready to expend it?—Yes, but they do not say so.

94. They leave most of the expenditure till the winter sets in?—Yes, in the case of the main roads. Any alteration there might be in the system of voting grants cannot improve the position unless the Engineer in charge makes a point of expending it while the weather is good.

95. *The Chairman*.] Is it not positively wrong that works on these roads should be done at the time of the year when they are expensive?—It is really bad business.

96. Is it not a wrong that should be remedied by some means?—Yes; I cannot understand the authorities at all.

97. Is there any other matter you wish to speak about?—Only in regard to the Native-land legislation. I think it would be far better if the Maori Council were placed in the position somewhat like that of a Land Board. If a man wishes to acquire a Maori lease it is now a protracted and expensive process. If the Council had the powers of a Land Board the expense and delay would be much reduced. As things are it may cost £20 or £30 and much loss of time, whereas under the Land Board it only takes a week or two. In our district where there is a great area of Native land the present system is a great drawback to the success of the district.

JOHN AUSTIN examined.

98. *The Chairman*.] Are you a settler in this locality?—Yes; I hold 325 acres at Ohura under lease in perpetuity.

99. Have you improved the land?—Yes; I have spent about £500 on it.

100. Do you reside on your holding?—Yes; I spend about three nights of the week there.

101. You have heard what the other witnesses have stated: is there anything further you wish to add?—I quite agree with Messrs. Hunt and Williams in regard to roads and matters of that kind. The only matter I wish to add is that my land is classed as first-class land, whereas it is so hilly that I have not room to build a house on it.

102. But is it first-class soil?—In places it is. I have about 125 acres felled and there is about 40 acres that cattle can really graze upon. I am paying for it as first-class land, whereas I really think it is third-class.

103. *Mr. Forbes*.] Did you not know the state of the ground when you took it up?—No; I merely went through a little of it. I applied for two or three more which were rather better, but it fell to my luck to get the rough one.

104. What rent do you pay?—About £16 a year.

105. Would you like to get the option of purchase of this land?—Yes.

106. Although it is so broken and bad you would still like to buy it?—I would sooner buy it than lease it.

107. Would you be able to make a living off it?—It would take me all my time, but of course, if I could purchase it I would stand a better chance of selling it.

108. *Mr. Matheson*.] Have you had any experience of the Advances to Settlers Department?—Yes.

109. And was it satisfactory?—Yes.

110. *The Chairman*.] You admit that it is a good policy on the part of the Government to provide land for *bonâ fide* settlers and not for speculators?—The only thing I find fault with is the classing of my land as first-class land.

111. Is it not a pity that you did not inspect the section before taking it up?—Yes.

CAMBRIDGE, WEDNESDAY, 7TH JUNE, 1905.

JOHN CHRISTIE examined.

1. *The Chairman*.] Do you occupy land?—Yes; I and my wife have a section apiece in the Karapiro Estate under lease in perpetuity, making together 79 acres. The land was taken up under the Land for Settlements Act.

2. Was the land improved when you got it?—Yes; and it was in English grasses.

3. Have you any particular question to bring forward?—With Messrs. Swayne and Morgan, I was appointed by a meeting of settlers to wait upon the Commission and impress upon them the necessity of the right of purchase being granted to Crown tenants on their paying the difference between the two terms. In my own case, however, there would be no difference, because Mr. Morgan and I pay 5 per cent. as it is. My land is valued at £7 an acre, and we pay 7s. an acre, so that we pay 5 per cent. already. We think it is necessary to obtain the freehold of our holdings because of the insecurity of the present tenure. It is provided in the regulations that the land may be forfeited

without notice for an infringement of any one of the regulations. I do not think there is one of the Crown tenants in the colony who is not infringing the regulations. For instance, we are prohibited from selling straw; straw might be taken to include chaff. A farmer cannot farm his land and not sell chaff, so that if the Board were so minded they might jump on us this question at any moment. Our meeting considered that when the option of the freehold is granted the Government ought to be prepared to accept small portions of the purchase-money whenever a man is able to pay them and to reduce the rent proportionately. In regard to the cropping regulations, they do not affect us very much because our land is comparatively poor, and we do not want to take more than three crops running; but there are other districts in which the conditions come very hard upon the farmers, and we think that they should be relaxed to some extent.

4. Do you mean that as soon as there is a certain proportion of the purchase-money paid off the restrictions upon cropping should be removed?—I would not say that, but we think that the cropping restrictions should not be too severely enforced.

5. Should they be removed altogether when part of the purchase-money is paid?—I would not insist on that till it is all paid.

6. *Mr. Matheson.*] Do you wish to have the right to complete the purchase as time goes on?—We think that, after five years' occupation and compliance with the conditions, one ought to have the right of purchase.

7. Have your dealings with the Land Board been satisfactory?—They have and they have not. For instance, about two years ago I had the misfortune to dislocate my elbow and I got behind with my rent. My holding is too small to employ all my time and I go out working as a carpenter. The Board sent me notice that if the rent was not paid up my holding would be forfeited. I wrote to the Board explaining matters and asking for a little time, and in reply I received a telegram from the Commissioner of Crown Lands saying that the rent must be paid up—I think it was within two days after the telegram reached me—or the holding would be forfeited. Consequently, I had to obtain an overdraft, and also to sell some of my stock at a sacrifice in order to make the payments, and under the circumstances I think I have a grievance.

8. Have you had any dealings with the Advances to Settlers Board?—Yes; we consider that on the whole the system is very satisfactory and one of the best things the present Government has done. But as to my own experience; I asked for £100, and, whilst the valuer assessed my improvements at £400, the Board would only advance me £75.

9. Was that £400 over and above everything you had found on the land?—Yes.

10. Are you well served as regards roads?—We have no complaint to make as regards the Government.

11. *Mr. McCardle.*] How many are there on the settlement?—I could not say exactly, but there were over forty at the meeting.

12. Are all the settlers in favour of the freehold?—There was not a dissenting voice at the meeting, but I believe there are two who do not agree with it. However, they were there and did not object.

13. Are you prepared to offer any further concession to the Government if they give you the freehold?—I think we ought to be all on the same footing. I rather boggled at the 5 per cent., but I wanted to come to the district and could get no other land at the time. Personally, I would have no objection to paying a little more for the right of purchase, but at the same time I do not see why one should pay more than another.

14. Has the agitation in the towns had anything to do with your desire for the right of purchase?—Nothing whatever. We look upon these Boards rather with contempt. There is another question that I meant to bring up. We think that the Land Board ought to be partly elective, and that only Crown tenants should have voting-power in the election of the Board.

15. But have not the city people the same interest in the matter, seeing that they are taxpayers?—The city man's interest is nothing compared with that of the farmer, and we think that the nominated members would be quite enough to represent the city people.

16. Do you not think that the case would be met by increasing the number of members of the Board, and allowing the leaseholders of the district to appoint one of their number who knows their wants?—Yes; if the leaseholders had the appointing of the member.

17. You are satisfied with the Advances to Settlers Board and its operations?—Yes; although my personal experience was not very satisfactory.

18. Suppose the Government were to remove the restrictions, after you have made substantial improvements, and place you in the same condition as the freeholder, except that you would be paying rent to the Crown: would not that meet your case?—Our position would not be the same, because we do not know how long that might last; another Government might come in with quite opposite views.

19. Do you use any manure?—We cannot get along without it.

20. *Mr. McLennan.*] When you took up this land could you have purchased another freehold farm of 79 acres?—I had not the capital to do it.

21. Was there any other competitors besides yourself in the ballot?—I did not take up the land until after the ballot. These two sections were left out as being too small.

22. Do you not think it is rather dangerous to meddle with the Act by trying to amend it: might not a clause be put into it that would be detrimental to you?—I do not think so. I do not think that a fatherly Government, like the Seddon Government, would do that.

23. Suppose they said "We will conserve to you all your improvements, and will put the property up to auction, and let all others who ask for land compete as well as you": would you be satisfied with that?—We would not be at all content with that.

24. *Mr. Forbes.*] Why are not the lease-in-perpetuity settlers satisfied with their tenure?—Because of its insecurity, and also of the restrictions as to cropping, &c.

25. In what way is the tenure insecure?—Because the lands might be forfeited at any moment.

26. But it could only be forfeited for infringement of the regulations about cropping?—That is the case to some extent, but at the same time we would not feel satisfied with anything less than the option of purchase. A man puts much more heart into his work if he can make the place his own.

27. Has any place about here been forfeited?—I do not know of any, but there has been plenty of threatening.

28. Has that not been on account of non-payment of rent?—In many cases they have threatened to forfeit. In my own case I was not six months in arrear, but only five months. After I took up the second section in my wife's name we got notice that she must reside on her section straight away or action would be taken. There was a lot of correspondence, and at last the Board said they would recommend the Minister of Lands to allow her to reside with her husband, and afterwards we were notified that the consent had been obtained. This is the sort of thing that makes one feel rather doubtful about the Land Boards.

29. Do you know of any case in which anything harsh has been done by the Board to Crown tenants?—I cannot say that I do.

30. When you were pressed for payment of rent, had you fulfilled all the other conditions of your title?—Very much more than fulfilled them. I was residing on the section and had made over four hundred pounds' worth of improvements.

31. You ask that you should have the option of acquiring the freehold whenever you are in a position to do so?—We think that a tenant ought to reside on his land for five years and make the improvements required by the Act before being allowed to acquire the freehold.

32. If selectors were allowed to acquire the freehold, would there not be a danger of their selling out to one another, and therefore of the aggregation of large holdings?—The tendency here is quite the other way. For instance, the Gorton Estate has lately been broken up into small sections.

33. For what class of farming was your settlement established?—I intended to go in for vine-growing, but I found that it would take more capital than I could command. We, therefore, have gone in for milking, and I work at my trade as a carpenter. My neighbours also go in for milking and do a small amount of cropping.

34. Is the land in the district good?—Not in comparison with the land in the south.

35. How many cows will your 79 acres carry?—This year we have been milking fifteen, but the grass is pretty well worn out. When we get new grass laid down we could run twenty-five or thirty.

36. Do you think you could make a living on twenty-five cows?—Not a very satisfactory living for a man with a wife and six children.

37. In case of your getting the freehold would it not be a case of selling out in order to make the holdings larger?—I do not want to sell out. I want to live there, and go on working as a carpenter.

38. *Mr. McCardle.*] In a district like this do you not require to make large provision for winter feeding, and in this way is not your pasture very much reduced?—Yes.

ROBERT SWAYNE examined.

39. *The Chairman.*] Are you a landholder?—Yes, I own 100 acres freehold and hold 264 acres under lease in perpetuity.

40. What particular matter do you wish to bring forward?—I consider freehold the best form of tenure. All lands disposed of by the Government should be disposed of under the optional system. All tenants under the lease-in-perpetuity form of tenure should have the option of converting their holdings into freehold at any time they thought fit to do so. It would be a good idea were tenants allowed to pay the principal by way of a sinking fund, on the same lines as settlers repay their loans under the Advances to Settlers Act. I object to revaluation. I think sufficient care is not exercised in inspection of improved estates, with the result that the Government pay more than the market value of many of the estates acquired. The Government paid more than the market value of Fencourt at the time. I think it highly improper that Crown Land Rangers should be called as they have been to give evidence. Is it likely they would give evidence to dispose of their services? I think not; the evidence of public servants should not be accepted. I think if a tenant complied with the residence conditions for five years, he or she should be at liberty to do as they thought fit with their holding. The conditions say ten years; I consider that too long. Land Boards should be elected by the people (ratepayers); failing this, the Board should be increased to five members, and two of those should be Crown tenants. If one has to raise money from a bank the freehold is a good security, and the lease in perpetuity would not be accepted as sufficient. Settlers should be enabled to borrow, provided they have security to offer. The cropping conditions are not what they should be; they should not be allowed to sell straw, oaten hay, &c. The following is an abstract of the resolutions passed at our meeting: *Mr. Christie* moved, "That this meeting, being of opinion that the option of purchasing the freehold is essential to the welfare of the farming community, delegates be appointed to wait on the Commission, and impress on the members thereof the necessity of granting the right of purchase on a leaseholder paying a sum equal to $\frac{1}{2}$ per cent. per annum on the original capital value of his holding, dating from time of selection." It was decided to appoint five delegates, and Messrs. Christie, Swayne, Andrews, Morgan, and Lake were selected; that the delegates give evidence before the Commission as to the necessity of having the Land Boards elected instead of nominated by the Government; that the delegates urge on the Commission the desirability of more secure tenure as regards leaseholds. I represent twenty-nine out of the thirty-four settlers on the Fencourt Estate, and this is the authority of myself and *Mr. Christie* and others for appearing before the Commissioners: "We, the undersigned Crown tenants, would ask the delegates appointed at meeting of Crown tenants or their representatives, held at *Mr. Qualtrough's* Barn, Fencourt, on the evening of the 8th May last, to give evidence before Lands Commission in

accordance with resolutions passed at above-named meeting." [Signatures of thirty Crown tenants.]

41. You speak of revaluation : do you mean that there should be no revaluation of existing leases ?
—Yes, for we have taken up the land at more than it is worth.

42. There can be no revaluation when the title is fixed for 999 years ?—We have no guarantee of that. It will altogether depend on what class of representatives the Trades and Labour Councils may put into the House.

43. Have you not the same guarantee as the freehold ?—No, the freehold is always a freehold, and you cannot rub it out. Even Parliament cannot do that.

44. If the Legislature could make a leasehold invalid, could they not do the same for the freehold ?
—If they go in for land nationalisation, and so put all on an equality, I also would be prepared to go in for that.

45. *Mr. Matheson.*] Do you, like the previous witness, feel contempt for the agitation of the trades-unions ?—I do.

46. If your valuation is too high, would it not benefit you if the trades-unions suggestion were put into operation ?—I do not think so.

47. *Mr. McCardle.*] Suppose the Government were to remove all restrictions from the property ?
—I would still ask for the freehold ; there is no secure tenure but the freehold.

48. Do you think that in asking for that you are asking for anything that would injure the State
—On the contrary, it would benefit the State.

49. *Mr. McLennan.*] In what way would it benefit the state ?—We should have a better class of settlers, and the country would be better worked.

50. Would you be a better farmer if you had a freehold than you are under a leasehold ?—I am farming my place as it should be farmed, for the simple reason that I saw the freehold was coming.

51. *Mr. Forbes.*] Did the Government spend much money on the property after buying it ?—Very little. They have hindered us in every possible way. In fact we have had to form a Drainage Board to drain the land which really belongs to the Crown. It is true the Government gave subsidies to the extent of £600, but the work has cost £1,000, and we have to pay interest on the difference.

52. Was there any promise in the pamphlet issued in connection with the land to the effect that it would be drained ?—The Board reserved a drain and threatened to prosecute us if we interfered with it, and yet they would not do the work themselves. As the result of the non-formation of the drain, we have been blocked for five years, and 50 acres of the land for which I have been paying has really been swamp.

53. Was it not necessary to reserve the land for the formation of the drain to avoid having to purchase it afterwards ?—Yes, but the Board failed to carry out drainage works.

54. Had your neighbours the same expectation of getting the freehold as you have mentioned in your own case ?—Yes.

55. *The Chairman.*] Has the drain-site you speak of been reserved by the Government as a drain-site ?—Yes.

ARNOLD BLACKMAN examined.

56. *The Chairman.*] What area do you hold ?—Two sections in the Fencourt Estate, comprising 126 acres altogether, under lease in perpetuity.

57. Do you reside on your land ?—For the first year I did not, but on account of pressure being brought to bear on me I do now. I consider it unfair that I should be compelled to reside on my section under a threat of forfeiture, while my next-door neighbour is not compelled to do so. I was living in Cambridge and carrying out all the necessary improvements on the section, and I consider it an injustice that I should be compelled to reside on the section while the last witness is not compelled to do so.

58. *Mr. Matheson.*] Have you had any dealings with the Advances to Settlers Board ?—Yes.

59. And have they been satisfactory ?—Very satisfactory. So much so that I will have more as soon as I can.

60. *Mr. McCardle.*] You think that optional residence should be granted you as well as to your neighbour ?—Yes, because I have carried out all the other terms of my holding.

61. You believe in the lease-in-perpetuity tenure ?—I do, because it is a very good one.

WALTER CRISP examined.

62. *The Chairman.*] Are you a landholder ?—I hold 50½ acres at Fencourt under lease in perpetuity. I have resided on it for more than five years.

63. Is there anything you wish to bring before the Commission ?—I am entirely in favour of the leasehold as I think it is better both for individuals and for the country at large. I am intimately acquainted with the Fencourt Estate. I know every section and most of the tenants, and I say, without the slightest hesitation, that the bulk of the people there could not have got hold of a piece of good land under any other tenure. The Fencourt Settlement contains 7,045 acres, and it occupies an exceptional position—the nearest portion of it is only two miles from the Borough of Cambridge. When it was allotted it was mostly in grass and was subdivided as far as possible to suit the then existing fences. It was roaded, and there was not a section which was not getatable, and the people who took it up were able to make use of the land with scarcely any delay. I saw nothing would have been heard about the freehold if it had not been for the increase in value. Many of the sections on Fencourt have increased in market value by 100 per cent. The section I hold myself has increased by from 100 to 150 per cent., and the others range about the same. The upset price of my section was £6 per acre, and I feel sure if it was put on the market next week it would fetch quite double, and probably £15 an acre in exactly the same condition in which I got it. I say that the rise in value in the Fencourt Settlement is not due to the exertions of the present tenants, though on the whole they are an industrious

class, but the land in the district for miles around has gone up in value during the past five years owing to the influx of people from other provinces, and more especially owing to the success of the dairying operations. I therefore say if it had not been for the fact that the settlers are hoping to get this land at the upset value, nothing would have been heard about the freehold.

64. If the price of produce suddenly went down, might not the land go down also?—Yes, but if the settlement had not been successful, and if the land had gone down in value, and if it had not been for the success of the dairying many of those sections would have been thrown back on the hands of the Government again.

65. *Mr. Matheson.*] You believe that the lease in perpetuity is a good thing to enable poor men to get on to a piece of land under the Land for Settlements Act?—I can only speak with regard to Fencourt.

66. Suppose one of those men labours hard with his family for twenty years and accumulates a few hundred pounds savings, do you think the Crown would be wise to allow him to pay off a portion of the capital value and so reduce his rent?—No.

67. Do you think it would be doing the colony harm if he were allowed to do so?—I think it would. I do not believe in private speculation of land at all.

68. You believe that if all the land was in the hands of the State, and every one paid rent to the State, the colony would prosper under it?—Yes, I believe it would be better than if there was speculation in land.

69. *Mr. McCardle.*] You are about the first man we have met who holds that there is a large amount of unearned increment in rural lands, and you are apparently of the same opinion as those in the cities who say that you are holding something which is of too high a value, and that you should therefore be subject to revaluation, so that you would have to pay about twice the rent you are paying?—The question of revaluation is a matter for future consideration. I think when the tenant makes a bargain with the State or a private individual it should be binding. I have not the slightest fear for my own part that the townspeople are going to alter my agreement with the State.

70. But still you acknowledge you hold more interest in it than you ought to have?—I consider I have made a good bargain.

71. Too good to continue?—I have put on a large amount of improvements.

72. What has increased the value of your lands in this district? Is it the joint efforts of the settlers, or would the land have gone up in value without their efforts?—I think it would.

73. Has not the erection of a dairy factory had something to do with the increased value of the land?—The success of dairying has tended to increase the value.

74. Is that your expenditure?—I am not a shareholder. It is the expenditure of the community at large.

75. Does not a portion of the increased value belong to those who were instrumental in putting up the dairy factory?—I consider it belongs to the people of New Zealand.

76. Do you not think it belongs to the people who have increased the price of butter and mutton in the Home country?—I do not think so. I think the tenants of Fencourt have got a good bargain, and they ought to be satisfied and hold their noise.

77. *Mr. McLennan.*] We have had evidence before us in several places that tenants on lease-in-perpetuity sections do not make the same amount of improvements as do freeholders?—On my section, 50½ acres, I have up to the present time spent £600.

78. Have your neighbours improved as fully?—I consider they have put on quite as much. They would, I think, work the land quite as well as any freeholder.

79. *Mr. Forbes.*] Has the Land Board treated you fairly?—Yes, I have resided at Fencourt for five years, and I have never heard of a single instance of unfair treatment of any tenant there.

80. With regard to drainage, did the Government form the drain that has been spoken about?—The drain was formed by a private company.

81. Do you think it is the duty of the Government to keep that drain open for all time?—Well, there was nothing in the agreement under which the land was taken up that the Government was going to keep the drain open, nor was there anything in the pamphlet about the estate.

82. It has been stated that some of the settlers went on to the place with the idea that they were going to get the freehold. Did you have that feeling?—No, I never heard such a thing mooted in the settlement, and I have been in daily intercourse with the tenants.

83. Is there a branch of the Farmers' Union here?—Yes.

84. With regard to the petition got up by the tenants asking for the freehold, was that got up by the Farmers' Union here?—The petition presented to the House fifteen months ago was got up by a private individual, and he has worked up almost the whole of the agitation in Fencourt. He has presented a petition to you to-night. He has convened meetings, and has written letters to the papers advocating the granting of the freehold at the upset price.

85. If the freehold was granted to these lands, do you think it reasonable that it should be at the present time or at the original price?—I think if a law is passed that the freehold is to be granted, the land should be revalued. That would be only fair to the people of New Zealand. If the freehold was granted at the upset price, it would be a gift to me of from £300 to £400, and a corresponding loss to the State.

86. In connection with the Ranger, have you noticed any different treatment on his part to different tenants on the Fencourt Estate?—No, I have been always treated well myself. I know the case the previous witness was referring to; it was a case of residence. I may say that the individual who worked up the agitation held, with his wife, the two very best sections on Fencourt. He has not lived on them, and his improvements are next to nothing. It would mean simply a gift of £1,500 to him if the freehold was given at the upset price.

87. Have you any experience of the working of the Advances to Settlers Office?—I have not applied for any advance, but, from what I hear, the Department has not given Crown tenants as much as they might have done according to the improvements, but I believe that is to be rectified.

88. It has been proposed to advance up to three-fifths of the improvements; do you think that reasonable?—I do not know about other settlements, but so far as Fencourt is concerned, I think it would be perfectly safe.

89. *Mr. Matheson.*] You say that if the gentleman who presented the petition to-night was allowed the freehold at the upset price, it would be a present to him of £1,500?—Mrs. Swayne holds 49½ acres; the upset price was £6 an acre, and I have not the slightest hesitation in saying that the market value of that to-day is quite £12, and probably £15.

90. Do you think the erection of a dairy factory by the settlers in this district has put as much as £2 an acre on the land?—I could not say exactly.

91. Suppose we take it at £2, for argument's sake, do you think the State has any right to that advanced value?—I consider the State has the right to any unearned increment.

92. Do you not think if the settlers have put their hands in their pockets to put up a dairy factory, and by so doing have increased the value of the land by £2 an acre, that they have entirely earned that extra £2 an acre?—I suppose they have.

93. As to the other £4 of increased value, do you feel that that is due to the general state of prosperity in New Zealand, brought about by good prices chiefly?—I suppose so.

94. Is the State to be given the enhanced value caused in that way?—I do not see why it should not.

95. Has the State done anything to cause it?—I consider this asking for the freehold is immoral.

96. *Mr. McCardle.*] Supposing values went down, do you expect the State to reimburse you or to reduce your rent?—I think the tenants should stick to their bargain.

97. If it is a bad bargain he has got to stick to it, but if it is a good bargain the State is to get the benefit of it?—Just so.

98. How much settlement in the colony under such conditions would go on in the black blocks, where the people have to put up with all sorts of privations and hardships?—I do not know anything about the black blocks. I am speaking about the Fencourt Settlement.

99. You have a good deal you think the State ought to get?—I do not know about that.

WILLIAM JOHN ANDREWS examined.

100. *The Chairman.*] What are you?—I am a Crown tenant on Fencourt, holding 157 acres at a rental of 4s. 6d. per acre.

101. You have heard the evidence given by previous witnesses, have you anything further to bring forward?—I should like to say, with regard to the evidence of Mr. Crisp and Mr. Blackman, that I think they are more or less prejudiced towards Mr. Swayne. Mr. Crisp says that Fencourt was well roaded. I say it is only within the last twelve months that I have been able to get a baker or grocer or butcher to call at my place. I made repeated complaints to the Land Board.

102. Have you a Road Board?—Yes. The petition which Mr. Swayne handed in represents the feeling not only of the Crown tenants of Fencourt, but Crown tenants generally, because there were representatives from Whitehall, Matamata, and Karapiro Estates, as well at the meeting. Mr. Swayne is blamed as being the prime mover in that petition, but I think there are many of us who can share the blame with them. I spent two days with my own horse going round with it.

103. Are you satisfied with your tenure?—I am in favour of the occupation with right of purchase, because I consider the freeholder will make the best settler. I think the success of an estate depends upon the interest the people have in it, and when times of depression come, the freeholder will work for the future, while the leaseholder will work for what it is worth at present. In Queensland, I have seen many changes of Government. Some Governments were very good to the leaseholders, but others were very severe on them. I would like to point out that there have been other large areas in this district cut up for close settlement. The Gorton and Eureka Blocks, for instance, went off as freehold far better than Fencourt or Matamata. These were cut up by the proprietors, and offered under freehold tenure. With regard to Land Boards, I am in favour of electing under the County Council franchise. This would bring the Land Boards and the local bodies into closer relationship, and we should have amicable settlement instead of disputes, and drainage would be carried out more satisfactorily. I have two neighbours who have never cleaned out a drain since I have been there. I have cleaned the whole of my drains every year, but I was served with a notice by the Government that if the annual cleaning was not done within so many days it would be done at my expense. When the Commissioner was down here, I asked him to come and look at my drains, but he said he had not the time. I am not satisfied with the treatment I have received at the hands of the Land Board, because they put me off several times on some red-tape pretext during the last five years.

104. *Mr. Matheson.*] Do you consider that better access should be given to settlers in bush districts before the settlements close to towns are dealt with?—I think the Crown should road the estates before cutting them up.

105. Should that apply to the back country as well?—Certainly. Before throwing a property open for settlement they should give a road to it.

106. *Mr. Forbes.*] When you put in for the ballot for this lease-in-perpetuity section, were you not satisfied with lease-in-perpetuity tenure?—I got it after the ballot. I wanted a bit of freehold, but I fancied the Fencourt land.

107. Do you not think a bargain is a bargain between two parties?—Yes, the bargain may last while this Government is in power, but I am convinced the leasehold is very shaky. Another Government coming into power may be compelled to alter the conditions. I have seen it in other British colonies. I think if a better title were given, it would be better both for the State and for the settlers

108. Do you ask that the agreement should be broken by the State?—I want it to be broken on their side, not on ours. I do not want the Government to be dictated to by the trades and labour unions. And to neutralise things, I want to give our side of the question.

109. Do you think it fair and reasonable that such a proposal as the violation of a solemn contract should be entertained at all?—No, I do not. I think Mr. Crisp is altogether out in this assessment of the present value of the Fencourt property. I do not think it would realise anything like what he says on the market.

110. Do you think it would bring the value that the Crown gave for it?—Yes; but I could buy property in and around the neighbourhood at considerably less than the amount stated by Mr. Crisp.

111. Do you think it has increased in value at all?—Yes. Some of it is due to the settlers working up a dairy factory. I lost several days myself in going round and working up a co-operative dairy factory.

112. Do you think if Fencourt in its original state were cut up to-day it would bring a higher price than it did when it was placed on the market?—I do not think it would.

113. With regard to these private estates, Eureka and Gorton Estates, were as favourable terms given to the settlers as were given by the Government?—I do not know any of the settlers that are dissatisfied. They are treated well as long as they comply with the conditions. For my part, I am pleased with my own section at Fencourt, but I would like to get the right of purchase.

114. Would not a man need more money to go on to Gorton or Eureka?—He might need a little more, but not a great deal.

115. *The Chairman.*] Do you question the security of the tenure of your lease?—Yes, I do.

116. Is not the freehold only a bargain between the State and the individual?—Yes; but the freehold is more substantial.

117. Is it not a bargain just as much as the other?—I think the freehold is the better bargain.

GEORGE ROSE examined.

118. *The Chairman.*] Are you a landholder?—Yes; I hold 58½ acres under lease in perpetuity at Fencourt.

119. Are you satisfied with your tenure?—Yes.

120. Is there anything you wish to bring before the Commission?—I do not think the regulations for cleaning out drains are strict enough. On my little section I have 27½ chains of main drain. I keep it cleaned out, but my neighbour is allowed to block me up in spite of the Ranger being notified of it several times. There is a clause in the lease which is supposed to protect us in the matter, but it simply means nothing.

121. Do you think the Ranger should enforce the clause for cleaning out the drains?—Yes. With regard to my section I think it is safer with me under the lease in perpetuity than it would be if I had a freehold.

122. *Mr. Forbes.*] It has been said that a man holding a lease in perpetuity has not the same heart to farm his land as a man who has the prospect of working on a freehold?—I feel perfectly secure so far as my tenure goes as long as they do not pull the lease to pieces, but once they give us the option of the freehold the contract is broken.

123. Do you think that if those men around you bought the freehold of their places you would then get the drains cleaned out?—No.

JOHN FISHER examined.

124. *The Chairman.*] Are you a landholder?—Yes, I own 372 acres of freehold land at Pukerimu, where I have resided between thirty-eight and thirty-nine years; and I am deputed by the Waikato Farmers' Club, Cambridge, to give evidence before this Commission in favour of the freehold tenure of land. I have always been in favour of freehold tenure, and would never have been a settler in Waikato but for the chance of securing a freehold farm. I consider the freehold the best tenure for the individual and the State; a freeholder is likely to be more contented than a leaseholder; contentment will generally cause a person to be more enterprising and industrious, and thus the individual and the State will benefit. While advocating the freehold, I do not object to leasehold, provided the right of purchase is granted, and I have at various times commended the action of the Government in purchasing where necessary large estates for close settlement, but at the same time I have contended that it would be better for the country generally and for the tenants as well, if they had the option of acquiring the freehold. Practically the whole of the large estates in the neighbourhood of Cambridge have been cut up and sold for close settlement. In some instances this has been done by private individuals, who, under certain conditions, give a freehold title; in other cases the Government has purchased the estates, and subdivided and leased them for 999 years. By the latter process many people with limited capital have been enabled to secure, at a reasonable rent, farms of sufficient size and quality to insure to the industrious a comfortable living, and as far as my observation goes these settlements have been eminently successful, but apparently the tenants are not satisfied with existing titles, and I believe nearly every one of them desires to acquire the freehold of their sections. In my opinion it would be wise to grant their request, but I differ from the tenants, and from many others also, as to the terms on which a Crown grant should be given. I consider it is only fair and just that a revaluation should take place, such as would be made between private individuals under similar conditions. It is claimed for the Government that in apportioning the cost of an estate, the rent of each section has been fixed at a rate just sufficient to prevent loss to the State, evidently then the State, besides working for the good of the settlers, has run the risk of some or all of these lands being thrown up through over-value, bad times, or thriftless tenants, and if on revaluing an increased value is shown, some allowance should be made for this risk. I also think that, where the Government has executed public works on

or near such estates after their settlement, the State has the right to the increased values caused by such works. The tenant has agreed to pay rent for 999 years, and, at the end of that time (however remote that may be) the land, together with all improvements, reverts to the State, without compensation, the compounding of these conditions should in all fairness be considered before a Crown grant is issued. On the other hand, I consider that the tenant should have the right to all the increased value effected on his section by his improvements, not only direct, but indirect. By indirect I mean enhanced value caused by the erection of cheese and butter factories, &c., in the neighbourhood, by improved roads made by rates, and for the risk he has run in making the settlement a success. The revaluation should be as between man and man, equitable and just for tenant and landlord, not only where values have increased, but also where sections have been overvalued when let or depreciation is shown to have taken place. It is right to state that while the Farmers' Club was unanimous in respect to granting the option of freehold to the tenant, it was not unanimous about revaluing the sections, and though a majority favoured my ideas, on division, that majority proved to be only one. The homestead system was not considered at the club meeting, but I am strongly in favour of it, as it provides an industrious man, whose means might debar him for applying for a leasehold section, an opportunity of making a home for himself and family. I do not think the State can be too liberal in its land laws. A contented, prosperous, rural population must be good for the community generally, and will amply repay in various ways the assistance that has helped to create it. I consider that in placing settlers on land, even where the right of purchase is given, that the Government has a perfect right to frame regulations that will prevent indiscriminate and ruinous cropping; but these regulations should be reasonable, and, if possible, framed to apply to each estate separately, and not generally for the whole colony. I am opposed to the grouping system as applied to the Matamata Settlement; to my knowledge, Nos. 6 and 7 of the grouping conditions of the directions to applicants for sections in that settlement prevented many persons from applying, and as these persons were all accustomed to farming somewhat similar lands, under practically similar cropping and manure conditions, their non-applications were, to my mind, a loss to the settlement, but probably a gain to those who had courage to apply for a section. I think an applicant should have the right to apply for any lot that takes his fancy, but in the event of his drawing a lot, he should decide at once whether to accept this and withdraw all his other applications, or decline and take his further chance of a draw.

125. As regards this question of drainage at Fencourt, do you think the difficulty would be got over by forming a Drainage Board?—Yes; that is the right step.

126. As far as you are aware has the Government done their part?—They have done something, but I do not know whether they have done enough or not.

127. Do you consider that the right to purchase should be given in the case of estates purchased by the Crown for settlement as well as in the case for ordinary Crown lands?—I think it should apply to all lands.

128. Do you think when a man goes into the back blocks on to rugged bush country without roads, and by his own industry and that of his neighbours the land increases in value he is entitled to that increase?—Yes, most decidedly; I think he has earned it.

129. If the country was left unsettled would it increase in value?—No; settlement makes the value.

130. Do you consider that what promotes settlement promotes the welfare of a country as a whole, both town and country?—Yes.

131. *Mr. Matheson.*] If a settler wants the right to purchase and the Crown thinks it wise to give it, could it be done by amending the lease, or would you call it a breach of the lease?—Well, it would mean new conditions.

132. If the State is repaid all its expenses you think it should be secured something still further?—I think the State should be paid something for the risk it has run.

133. Would you limit the advanced price to some additional percentage on the original price?—It would depend upon circumstances; whether the increased value that might be on the land had been caused by the tenant or the landlord.

134. Do you think it would be difficult to assess the increased value which had been caused by the tenant directly or indirectly?—I do not think so.

135. Do you think there are some improvements which are not visible to the eye, but which may enhance the value of an estate very much?—Yes.

136. Would not the State have great difficulty in giving a man fair value for those invisible improvements?—That would depend upon the spirit in which the State went into it.

137. Do you think the tenant should be secured if the right to purchase is given by limiting the increased price he would be called upon to pay the State? Do you think there should be a limit of, say, an additional 10 per cent., or some percentage on the upset price?—I should think so.

138. Do you think 5 per cent. would cover any risk of loss the State might run?—I think if all the land was taken up 5 per cent. would cover all the Government risk.

139. *Mr. McCardle.*] You have had a long experience in this district?—Yes, ever since 1866.

140. We have had instances of tremendous increases in values of land and unearned increment in the neighbourhood: has this sort of thing been apparent to you?—There has been an increase in values in the Waikato during the last few years.

141. How do you account for it? Is it not on account of the united efforts of the settlers who are using the land to the best advantage?—Yes, to a very large extent.

142. Do you think if this Fencourt land had remained in one holding the value would have increased by anything like the amounts stated?—No.

143. Have you any fear that this agitation in the cities for revaluation of existing leases will succeed finally?—It depends on the number of people agitating I suppose.

144. You think then there is a real danger?—Combination can do a good deal, but there is the

danger of the Crown tenants combining and forcing the Government to give them the freehold, that is, if they like to form a union.

145. Do you think if the freehold were granted there would be again the aggregation of large estates?—There might be a little, but nothing like to the same extent as in the past.

146. Would you be in favour of placing a safeguard against that by so amending the Land Transfer Act as to limit the amount of land that any one man could hold in fee-simple?—Yes; because I think a fair-sized farm is best for the individual and best for the community. And if that is done there is no cause for alarm in granting the freehold.

147. *Mr. McLennan.*] You are aware that there is a certain amount of unrest among the Crown tenants at the present time. Have the Farmers' Union had anything to do with that?—I do not think the Waikato Branch have had anything to do with it.

148. Have they been advocating the option of the freehold during the last two or three years?—During the last twelve months they have, but I expect the agitation came from the Crown tenants in the first place.

149. Where?—All over the colony, I reckon.

150. Did the Crown tenants in the various parts apply to the Farmers' Union for a start with regard to getting the option of the freehold?—They did in Cambridge here.

151. *Mr. Forbes.*] In what way do you consider the occupation with right of purchase would be better for the tenant?—In the heart of almost every Britisher, I believe, there is the hope of having a piece of land of his own. I believe the great majority of settlers in New Zealand came here for the purpose of getting a piece of freehold. When I left Glasgow as a boy, in 1856, the inducement was a free grant of land, and I came out with my father and took up land under the old Whittaker land regulations.

152. Are there not a great number of Britishers who can never get a freehold?—That may be.

153. Do you think that the tenants on private estates should have the same right to purchase in their leases?—That is a matter of bargain, and to my knowledge that kind of thing has taken place at various times. When a tenant has become prosperous and wanted to purchase his place the right has been given him.

154. Why do you think it is necessary to reintroduce the homestead system?—Many people cannot carry out the conditions of the leasehold, and under the homestead system they can utilise their own labour.

155. Under the homestead system the settlers get a free gift of land?—Yes.

156. Do you think it is necessary to reintroduce that system in order to settle the lands round here, or would the land be settled by men willing to pay for the land?—Round here there is no land available. I would not advocate that estates should be purchased in order to settle them under the homestead system. It should only apply to Crown lands.

157. As the remainder of the Crown lands are mostly bush or poor lands, would it not mean disaster to put poor men on them far away from settlement even if they were given a small section for nothing?—I do not think it is advisable to put poor men on poor land under any circumstances. The homestead system might help a settler very largely on heavy-bush land provided he was allowed to utilise the timber.

158. It has been mentioned that the homestead system might be used as a means of settling the poor lands north of Auckland. Do you think it would be reasonable to apply that system to these lands?—I have not been north of Auckland for forty years, and from what I saw then I would not advise any poor men to go there on any homestead section.

159. If a man with capital could be induced to take up the heavy-bush land, would he not be more likely to bring it into a state of productiveness than a poor man, even though the latter was granted a section for nothing?—If we had homestead settlers amongst men with capital the two could work well together and help each other.

160. Do you know of any land where this system could be applied?—I have no particular locality in my mind.

161. *The Chairman.*] Do you think the real incentive to successful land-settlement is the option of purchase?—I think it is a good incentive.

162. You have heard a good deal about this agitation in the towns by irresponsible people, who think the community should share in what is called the unearned increment or the increased value given to land by the settlers of the country?—Yes.

163. You have known of lands going down a great deal in value in the Waikato?—Yes.

164. At that time did you know of any agitation in the towns to recoup the settlers the losses they sustained by their lands going down in value?—No.

165. But they think that when the settlers, after years of toil and labour, improve their lands and make them more valuable they should come in and share the spoil?—It seems so.

WILLIAM CHAPMAN MORGAN examined.

166. *The Chairman.*] Do you hold land in the Waikato?—Yes. I have 604 acres, of which 110 acres is under lease in perpetuity and the remainder freehold.

167. Is there any particular matter you wish to bring forward?—I am a Karapiro settler and I attended the meeting at Fencourt, and I am one of the delegates appointed to represent the settlers at this Commission.

168. Have you anything to state that has not been brought forward by previous witnesses?—You have heard three gentlemen on Fencourt, and I would like to say that two of them were not at that meeting. Out of twenty-nine settlers there were twenty-four who signed that paper, and all at the meeting that night were in favour of the freehold. I consider some of the previous witnesses very

much overestimated the increased value of Fencourt land, and made other statements about the settlers that were altogether uncalled for. My idea of Fencourt is that it may have increased a matter of £3 to £4 per acre in some cases, but only in exceptional cases. A lot of the land is not worth more than £1 to £1 10s. per acre over and above the £1 original value, apart from improvements, and in some cases with improvements added. As regards the revaluation of properties I fail to see where it comes in, for the simple reason that the settlers in a great many instances have actually more capital invested in the land than the Government, and they have to pay their rent whether the seasons are good or bad. As regards tenure I think the freehold is the only thing a Britisher would go in for if he could possibly get it. I know my father left England simply to get a freehold in New Zealand. I consider the farm is like a bank and the proper place for a farmer to put his money in.

169. As regards restrictions on the leasehold: do you think that as soon as the tenants have improved their sections to the extent that their interest in the lease is more than the interest of the Crown the restrictions should be removed?—They are absolutely unnecessary.

170. *Mr. Matheson.*] Who do you consider is the real landlord of these land-for-settlements people, the people of New Zealand or the English capitalists with whose money the estates are bought?—The English capitalists, most decidedly.

171. Would you say they are tenants of absentee landlords?—Practically so.

172. Do you think it would be good for the colony if the tenants repaid the money and freed themselves of the liability?—That is precisely my view of the matter. The Government apparently, from what one reads in the papers, have not sufficient money to give advances to the settlers.

173. *Mr. McCardle.*] Do you think there is money enough now in the hands of the settlers, or of the people of the colony, to pay off the foreign money-lender?—My idea of the business is to work it something on the lines of the advances to settlers policy—have a sinking fund and let the settlers pay off the capital value as it suits them, in sums, of course, of not less than 10 or 20 per cent. of the capital value.

CHARLES WILLIAM KEELEY examined.

174. *The Chairman.*] What are you?—I am a settler at Whitehall. I hold 1,262 acres under lease in perpetuity. I have been asked to come here at the request of several settlers to represent them and to present the following statement: “We, the undersigned Whitehall Crown tenants, hereby authorise Mr. C. W. Keeley to represent us before the Land Commission in support of the optional freehold at the original valuation.” [Signatures of seven Crown tenants.] That is all I have to say.

175. *Mr. Forbes.*] If the settlers got the option of purchase added to their lease would it make it a better lease?—It is a better tenure.

176. Would it not be worth more money in the market?—Yes. It will make the lease more valuable in that it will give a man more facilities to work his land. The lease in perpetuity is unpopular decidedly with money-lenders. The banks will not advance on lease in perpetuity.

177. Seeing the option of purchase is more valuable, would the men you represent be prepared to pay something more for this extra value?—I would say no; they want a better tenure.

178. For nothing?—They want it at the present valuation.

FRANCIS HICKS examined.

179. *The Chairman.*] Do you hold land?—I hold 850 acres of freehold.

180. Is there anything you wish to bring before the Commission?—I would like to draw the attention of the Commission to the spread of noxious weeds on Maori leaseholds in this neighbourhood. These leases are so insecure that the tenants do not care to tackle the noxious weeds, which are spreading to such an extent that they are ruining the whole country about here. There is one place about four miles from here practically covered with blackberry, and nothing is being done to eradicate it owing to the present unsatisfactory position of Maori lands. The occupants of these lands are simply tenants at will, and they can do nothing. If something is not done shortly a lot of the adjoining land will scarcely be worth owning. I think the Government should take the matter in hand immediately. Another block of Native land, which is also surrounded by settlers, is fast becoming covered with ragwort. Two or three years ago I did not know what ragwort was, and now there are hundreds of plants on my property and it is spreading rapidly. These Native lands are a menace to the district.

181. Have you any other matter to place before us?—I would like to say that I came to this colony from England forty-five years ago to get the freehold. I saw something of the injurious effects of landlordism in England, where the tenants were simply in the hands of the landlords. Of course, I mean private landlords. I am a freeholder out and out, and I can assure you that I feel it is in the very best interests of the country that the freehold should be given under certain conditions. I am sure a man will work harder and make a much better settler and stand by his country better under freehold, when a man with a less secure tenure would go elsewhere.

182. *Mr. Matheson.*] Do you think the Government should take action to deal more effectually with noxious weeds on Native lands?—Most assuredly.

183. *Mr. Forbes.*] You say you left the Old Country after seeing the evils of private landlordism, and you came to New Zealand to get the freehold: Do you not think it is the duty of the State to see, by legislation, that that sort of thing does not occur in New Zealand?—I think it is the sacred duty of the State to see it does not arise here.

184. If you allow the country from end to end to become freehold might not the same evils arise here?—No, I would be the first to assist in putting them down by legislating that no man shall hold more than a certain area of first- or second-class land.

185. You think that under such legislation there would not be the same chance of these evils arising here?—I do not think it could do so.

THOMAS HESLOP examined.

186. *The Chairman.*] What are you?—I am a settler at Fencourt. I hold 42 acres under lease in perpetuity. I would like to say I am in favour of the granting of the freehold to Crown tenants, though personally I am satisfied with the tenure I hold.

187. Do you think it would be good policy for the Government to give the right of purchase?—I think it would be. I would like to say, as settlers are expressing a wish to elect the Land Board, and thereby might be leading the public to suppose that the Land Board had been treating them badly, that in my experience the Land Board have treated the settlers rather too well.

188. You are satisfied with your treatment by the Land Board?—Yes.

MATAMATA, THURSDAY, 8TH JUNE, 1905.

JOHN McCaw examined.

1. *The Chairman.*] Do you hold land?—I hold about 1,000 acres under lease in perpetuity.

1A. Do you reside upon it?—Yes.

2. What remarks have you to make to the Commission?—At a meeting of the settlers on the Matamata Estate, held last Saturday, I was appointed as one of the ten of their number to represent their views before the Commission. The general opinion amongst the settlers seems to be that they would like the option of purchasing their holdings. There is a feeling that something may come along to interfere with the lease-in-perpetuity tenure—such as revaluation or something of that kind. As to the loading of lands, I think it would be better if the money so raised were placed to the credit of the local body of the district, which would then carry out the work on the roads. That would be a much more satisfactory system than the present one. Then, there is the question of Native land. The difficulties in this respect are keeping back the progress of the settlement, and we think that something should be done to acquire that land. There is about 2,000 acres on the estate that cannot be got at unless a main drain is formed, and that drain would pass through Native land, which would thus be improved at the expense of the community. The best course would be for the Government to acquire this land before the drain is formed. Another matter is that the Natives use our roads and cut them up, while they get off scot-free in the matter of taxation. I think that in this respect they should be put on the same footing as Europeans. On the question of tenure, I think that those who want the leasehold should be allowed to have it, but that the desire of the Britisher to make his land his own some day should be acknowledged, and therefore that the leaseholders under lease in perpetuity should be given the option. As regards the poorer land in our district, I think that the homestead system is the best. Unless this land is taken up and settled it will be overrun with noxious weeds.

3. Are the tenants, on the whole, satisfied with the Land Board?—I have heard no complaints, and, personally, I should say that the Land Board is very satisfactory. At the same time, a representative elected by the settlers on the Board would not be a bad thing.

4. *Mr. McCardle.*] Would it not be a wise thing on the part of the Government to increase the number of members of the Auckland Land Board to seven, so that there could be representatives of the various interests in the province?—Sometimes five or six men can do business better than double the number.

5. Is it possible that four men, as at present, can represent the whole of the interests in this great province?—I do not think that four are quite enough.

6. Do you not think that if the Government were to so appoint men, that as far as possible districts and interests should be represented, that would meet the case?—As far as the representation of the settlers is concerned, I do not know if that would be the best way.

7. Say that he were one of themselves, and was a practical man?—I dare say it would meet the case if he were a practical man.

8. Have you formed any idea of the increased rental or the other consideration which the lease-in-perpetuity settler should give to the Government in case he were allowed the right of purchase?—He should pay more rent to the extent of from $\frac{1}{2}$ to 1 per cent., according to the value of the property.

9. Have you been able to do anything to check the spread of noxious weeds?—I have not been able to eradicate them, but I have been able to prevent them from doing much harm, as far as pastoral lands are concerned, by cutting them down at the proper time.

10. What is your worst weed?—On the ploughable land Canadian thistle is the worst. Ragwort you can plough, but it is a terrible thing in a bush district.

11. In the South it is claimed that wherever there are sheep ragwort disappears. Some men claim that it is the best pasture for sheep?—I can give you an instance. On a certain estate in this district ragwort was fairly bad. We had plenty of sheep at our command, and so were able to keep it down that year. The only plants that flowered were a few that the sheep could not get at. In the following year the same number of sheep were not available, and the weed got beyond control. When it gets very bad you cannot get it eaten off by sheep unless you have plenty of them, and some grass amongst it.

12. It has been stated that if you feed the sheep on ragwort the butchers will not use them?—The carcasses get quite yellow, and become so unrepresentable that they are not considered fit for hanging up in a shop.

13. Is dairying carried on in the district to any extent? Yes. I think this is going to be a great dairying country. Last year we started with about eight hundred cows and a large creamery. This year there are two additional creameries to be erected, and I should not be surprised to find that there are from sixteen hundred to two thousand cows.

14. Has the land been increasing in value since the ballot?—I do not know that it has increased very much beyond what the settlers have put on their farms.

15. I suppose you are aware that the workers in the towns are claiming that there is a large unearned increment in the country districts, and they are moving in the direction of getting hold of it as the property of the people?—It might apply to the towns, but not so much to the country. It is the farmers themselves who increase the values of their properties.

16. Is it not a fact that the roads and the creameries are being constructed at the expense of the settlers themselves?—Yes; the settlers are paying for the roads through the loading, and they are also buying the sites for the creameries.

17. *Mr Forbes.*] Do you think it would be more reasonable, seeing that these estates have been acquired by the Government to give men with small capital a chance, that when a man has made money off them he should go elsewhere and seek for a freehold?—I think a man would like the chance of acquiring the place where he has been living, and that he should have the option of doing so.

18. Where is the poorer land that you would like to see offered under the homestead system?—There is any amount of it further back, worth anything from 10s. to 2s. 6d. per acre.

19. Do you think it wise to put a poor man on poor land?—All these lands will carry grass of a certain description. Danthonia, for instance, will grow on some of the poorer land, and perhaps make it carry a sheep to the acre. I certainly would not charge very much rent for such land.

20. What area would you think it necessary to give to a settler?—It would vary, according to quality, from 1,000 to 10,000 acres.

21. Do you not think that the actual fact of giving it away for nothing would not help a poor man, because without a lot of capital he could not go on the land?—In a few years he would bring in country which is producing nothing now.

22. Do you not think that a poor man would be given a far better chance by providing him with really good land near a centre?—Yes; I think that is the intention of the Land for Settlements Act. It is wonderful what a poor man and his family can do with poor land.

23. Do you think that the fear of revaluation is real or only assumed?—One cannot help entertaining it when he sees what is going on.

24. Would it not be a far easier process to put on a few more screws in the way of graduated land-tax, instead of breaking the contract made with Crown tenants?—Looking at it in another way, if you give these men the freehold they can afford to pay part of that land-tax, and so help the revenue.

25. *Mr McLennan.*] Would the present Government, or any other Government, ever dare to bring in a Bill to break the contract made with the Crown tenants?—I should hope not; but you never know what might happen.

26. But do you think it is likely?—Such a thing might happen.

27. Were there many applications for the Matamata allotments when the land was balloted for? How many applied for the various sections?—I could not say, but I do know that for one of the best sections there were only two applicants.

28. How many applicants were there for your own section?—I think there were five or six.

29. And yours was the successful application?—I did not go to the ballot; I was the only one who fulfilled the conditions as regards the homestead.

30. Supposing the present Crown tenants were to be allowed full valuation for their improvements, and each allotment was put up to auction so as to give the unsuccessful applicant a chance of acquiring it, would the tenants accept that?—I do not think they would.

31. Do you not concede that those applicants who were not successful have as much right to come in when the land is put up under a different system as those who drew the land?—There is other land that could be thrown open for them. I do not think it would be fair to the man who wants to acquire his freehold that it should be put up to auction.

32. Neither is it fair now to demand the freehold after entering into a contract for 999 years?—Well, it is the option they want.

33. Can you say, in the event of an Act of Parliament being passed to give them this option, what amendment might be put into the Act? Do you not think it would be a dangerous experiment to try?—I am not prepared to say.

34. Do you not think it is better to have what we know than what we do not know?—Perhaps there is something in that; but in every Britisher's breast there is the desire to acquire the freehold if he can.

35. *Mr Matheson.*] Do you think it would be a good thing for the State to allow their tenants to acquire the freehold?—I do not know that it would do very much harm to the State. The State could make up its revenue in other ways.

EDWARD CORRIGAN BANKS examined.

36. *The Chairman.*] Are you a landholder?—I hold 365 acres of second-class land under lease in perpetuity, and reside upon it.

37. Have you made improvements?—I have made improvements to the value of £1 10s. an acre in the last eleven months.

38. Are you satisfied with your tenure?—Not altogether. I think it might be improved upon by giving the tenants the option of the freehold.

39. Is there any other matter that you wish to bring before the Commission?—There is one little matter, which is that the settlers who took up about thirty sections here paid rent from the 1st July, and yet did not get possession of their sections until the 1st October. Until some Act of Parliament is passed they cannot receive a refund of that three months' rent. Another matter is this: I believe that the Government put £2,250 on last year's estimates for roading Matamata. That money has been very badly spent. It is now, I believe, very nearly gone, and they simply raised the middle of the road. It is like taking a cart over a ploughed paddock to go along these

roads at present. It would have been much better to have given that £2,250 to the Road Board that was being formed by the settlers, and they would have made much better use of it. With regard to the constitution of the Land Boards, I think it would be desirable to give the settlers representation—not necessarily by one of themselves, but by some man in whom they had confidence. Let the Commissioner of Crown Lands be Chairman, and then let every one hundred of the six or seven hundred tenants in the Auckland Province send one representative. With regard to tenure, I think the deferred-payment system is the best we have ever had. With regard to the ballot system, I think it is working out very well. I have heard it suggested that the land should be put up to auction, but I do not think that would be right. I think, however, that I can suggest an improvement on the ballot system. Let every man when he is applying for a section indicate which section he would like to have. Then, when he is being examined by the Land Board they could decide how much capital that man has to work upon. The most popular section—that for which there are the greatest number of applications—should be balloted for first. Each of the approved applicants should have a certain ball to put into the ballot-box. Say that the land comprises three or four hundred acres, and that £1,000 of capital is required to work it. He could have his name on a certain ball, representing the amount of money. Thus, anybody with £1,000 would have his name put into the revolving box, and if successful he should get the block. And so the process should go on to the finish, till there would be only one man wanting one section. With regard to the increase in value since the date of lease, the whole of the increase in the case of Matamata has arisen from our own improvements. In my own case I have put on improvements to the extent of upwards of £1 10s. an acre, and the land is valued between £5 and £6 an acre. Most of the people on Matamata have improved to the extent of £1 10s., and even £2 an acre. Any risk that the Government took in acquiring the land is thus completely done away with, though we have not yet been a year upon the land. With regard to the aggregation of large estates, I consider that when a man's landed property in New Zealand amounts to, say, £10,000 in value he should be made to part with a portion of it.

40. *The Chairman.*] Regarding this matter of paying three months' rent before occupation, I remember that the arrangement was made in the interests of settlers themselves. There were turnips growing on the land in question, and if the Assets Board had not been given time to get the turnips eaten off the crops would have had to be purchased, and so the tenants would have had to pay a higher price. It was with a view of getting the estate at as low a price as possible that this was arranged, and, if I remember aright, the sections were valued subject to this three months' arrangement. If this had not been done the valuation would have been higher?—It must have been done wrongly, because the tenants have had to pay a double rent for three months. Why could not the land have been taken three months later, and so let at the proper rental.

41. *Mr. McCardle.*] You said that there were six hundred Crown tenants in the Auckland Land District, and that they should have the right of voting: would you be surprised to learn that there are 5,050-odd tenants?—Well, if there are nearly six thousand, let there be one member for every thousand.

41A. How would you divide them up?—Either in districts, or where there are more than five hundred, let them have a representative, or you could let them have one ballot for the whole Board.

42. What is to become of the other persons interested in land—of the people in the cities and boroughs?—They have nothing to do with the matter.

43. Have they not an interest in the lands of the colony?—But when we are appointing, say, a Land Board it is the ratepayers who vote.

44. Your proposal is quite an impossibility?—I do not think so.

45. All the people of the colony had to agree through Parliament before the Land for Settlements Act was brought into operation?—Yes.

46. And yet you would give the right of electing men to administer the lands of the colony to certain sections only?—No; I say that after the parallel of the Road Board those under the lease in perpetuity should control their own business.

47. But what is to become of the bulk of the population of the colony?—They have their representation in Parliament.

48. So have you lease-in-perpetuity people?—Yes; and whatever Act is passed by Parliament the Land Boards have to abide by.

49. Would it not meet the case if the Government increase the membership of the Auckland Land Board to seven, and let each section of the community be represented as far as possible amongst those seven?—I think we should have at least seven members, and that they should be either elected by the whole district, or, better still, be divided into six sections, and each of these sections send a representative.

50. We want to get at possibilities, and the possibilities are that you would get representation through nomination by the Government?—But we do not want the Government to nominate the Board.

51. If the Government appointed a settler who would be a useful member would that not meet the case?—No; we want the members to be elected by the tenants, who are the interested parties.

52. You know that the members of the Land Board receive only 10s. a day for their services?—We might happen to elect the same men the Government would appoint, but we say, let us have the best men we can get.

53. Whoever you appoint, he would have to contest an election, and 10s. a day would not pay for his outlay on stamps?—If he was a good man he would not need to contest an election.

54. *Mr. McLennan.*] How many tenants were there at your meeting?—Between thirty and forty. That is all we could get together.

55. But there are 165 tenants on the estate?—That includes the holders of town sections. This meeting was representative of the farmers.

56. Was it a Farmers' Union meeting?—No. There were about thirty farmers present out of about a hundred.

57. You do not know the feelings of the others?—Yes, I do. It is in favour of the freehold.

58. How can you know that?—By conversation with one and another.

59. Do you swear that the feeling of the balance is in favour of amendment of the Act so as to enable the acquisition of the freehold?—I will swear that the majority are in favour of the freehold.

60. But what about the minority?—The minority at that meeting was one person out of thirty. If you go through the estate it will probably be three out of a hundred, or perhaps less.

61. How many applicants was there at the ballot for the section you acquired?—There were ten.

62. Do you not think that the other applicants have as much right to compete for that land in the event of a change of tenure as you have, provided that your improvements are conserved to you?—They competed in the lottery, and as the land fell to me they have nothing more to do with it. I have put improvements into that land which no man can ever know of, because I have been making it a home for myself for the rest of my days, and I do not want any other man to come in and acquire what is mine.

63. Are not the others just as much entitled to a chance as you are?—No, because they lost at the ballot.

64. Do you demand the freehold as a right?—I think so.

65. Were you promised it at the ballot?—No; but if I can get a sufficient number of members of Parliament to support my view I will get it.

66. *Mr. Matheson.*] Who do you really think is the landlord of these tenants under the Land for Settlements Act: the European bondholders, with whose money these estates have been bought, or the Government of the colony?—Well, the Government of the day control my land.

67. Do you think it would be good for the colony if the State gave you the right to repay all the expenses the Government have incurred, so that the loans with which the estates have been bought might be repaid?—Certainly, I do. I think we have been borrowing too much money, and the sooner we are allowed to pay back what we can the better it will be.

68. You really think that in asking for the freehold you are asking for something which will be for the good of the colony as a whole?—Yes, I do.

69. *Mr. McCardle.*] You came here on the invitation of the Commission to give evidence on the land-tenures of the colony?—Yes.

70. And do you not think you ought to be treated with every civility while stating your views before the Commission?—That is the least I could expect.

71. We are here to hear evidence, and to decide according to that evidence, and it is nothing to us what the Government may do afterwards?—That is so.

72. *The Chairman.*] What I understand Mr. McLennan wanted to know is this: These lands were balloted for without the right of purchase, and had the option been given when the land was thrown open many other people would very likely have competed for the sections, and it is only natural to expect they should have a chance again if this change of tenure is given?—That is right enough; but we took our chances at the ballot, and deserve what we get.

73. But they had no chance at the ballot?—That is their own fault. We took the risk of keeping under lease in perpetuity when we went to the ballot.

74. They had not an opportunity to ballot under the conditions under which you took up the land, and they will naturally think they should have an opportunity when the conditions are changed?—Yes; but we took the risk.

EDGAR SHIELD SMITH examined.

75. *The Chairman.*] Do you hold land in this settlement?—Yes; I hold 380 acres under lease in perpetuity.

76. Is there anything you wish to bring before the Commission?—I wish to state I am strongly in favour of the lease in perpetuity as a poor man's tenure. I have seen settlements elsewhere get on remarkably well under it, and I have passed eight years on a lease-in-perpetuity section, and I am thoroughly satisfied with it. In regard to roads, I am in favour of more power being given to local bodies in the expenditure of Government moneys. I have nothing further to say in addition to what has been already said.

77. You think the money voted by Parliament should be handed over to the local bodies?—Yes, because the local bodies have a staff of engineers and overseers, and if the Government carry on the work in these districts it only means doubling the expenses.

78. *Mr. Forbes.*] You are in favour of the lease in perpetuity. Do you feel you have any heart to work your section?—When I am working I never think anything about the tenure.

79. It has been said that the tenants on lease-in-perpetuity farms have a great fear of revaluation: do you think that is a reasonable thing to fear?—My opinion is that not even the worst Conservative Government we ever had would dare to take such a step as that. They might put a revaluation clause in future leases, but I do not think any Government would do such a thing as to break an existing lease.

80. *Mr. Matheson.*] Are you aware that the trades-unions, at their conference, suggest that revaluation should take place in existing leases?—I do not think any Government would attempt it.

81. If the right of purchase was given by the State, do you think it would be harmful to the tenants?—I do not know about the tenants, but I think the future generations would suffer if the right of purchase was given to Crown lands.

82. Do you think they would suffer because they owned the land they lived on?—No. I think freehold leads to land monopoly, and that is the worst kind of monopoly.

83. Then, do you think it would be well if the whole country was nationalised and we were all tenants of the Crown, in town as well as country?—Certainly; I think we would have fewer taxes.

FRANK BRASSINGTON examined.

84. *The Chairman.*] What are you?—I am a settler here. I hold 368 acres under lease in perpetuity.

85. You have heard what has been said by the previous witness: is there anything fresh you wish to add?—I came here mainly to see how it was we were charged rent for our sections when we did not get possession until the 1st October, but since I have heard the matter explained here to-day I feel more satisfied. I would like to say I am quite satisfied with my section, and more particularly with the lease. I was balloting eight or nine years in the South Island, and I had bad luck everywhere. I think there are others to be considered as well as myself. I think if we do away with the lease-in-perpetuity system it will deprive a poor man of the chance of getting on the land. In regard to the ballot system, I do not hold with the grouping of sections. I think a man should be able to apply for any section he likes.

86. *Mr. Forbes.*] Are you troubled with Native lands in this district?—Yes. I think the Natives should be compelled to fence the same as Europeans. I have Native land adjoining my section, and I will have to bear the cost of all my fencing.

87. Would you say, speaking for the whole, that the settlers are doing all right on Matamata?—I think they are.

88. Do you think the rents are fair and reasonable?—Yes, very reasonable, I consider.

ROBERT THOMPSON ABBOT examined.

89. *The Chairman.*] What are you?—I am a settler here. I hold 345 acres under lease in perpetuity.

90. What is it you wish to bring before the Commission?—I am in favour of the settlers having the option of purchase. I think the choice of tenures should lie with them. I presided at a meeting held in this woolshed on Saturday night last when a vote was taken on the question, with the result that thirty-six voted in favour of having the option of the freehold and two against it. I may state also that I have exceptional opportunities of meeting the settlers on the Matamata Estate, and I am strongly of opinion that that vote fairly represents the opinion of the whole of the settlers on this estate. I think the settlement of the waste lands of the Crown generally would be more popular than it is if in every case the choice of tenure lay with the applicant. I do not mean for a moment to say that all lands should be offered as freehold or as leasehold only. There are some who prefer the leasehold, while the majority, in my opinion, prefer the option of purchase. I think quite as good a method for a poor man to obtain the freehold would be the resumption of the old deferred-payment system. So far as the Advances to Settlers Act is concerned, I would like to say that the difficulty of borrowing is one of the principal objections that settlers have to the lease in perpetuity. The security under that tenure somehow or another does not appear to be looked on with the same favour as freehold, either by the Government as money-lenders or by private money-lenders. I have known of a case where a settler, who held a considerable amount of property, applied to the Advances to Settlers Department for a loan of £1,000, and after some time his application was declined. He then started to realise on the securities he had offered, with the result that he sold about one-half of his property only for £2,300, and the balance left at a very low estimate would be good value for £2,000. That means he offered an approved security of £4,300 and could not get an advance of £1,000. I think a great deal more might be done in the way of helping the settlers through the Advances to Settlers Act. In regard to the constitution of Land Boards, I am of opinion they should be made elective, and that with regard to the system of election that might fairly be left in the hands of the local bodies. This would insure a fair representation of both the town and country. I think the system of loading lands for roads is a good one, and on that point I do not agree with Mr. Banks. I think in most cases the best results would be got by the expenditure of the moneys by competent road engineers. I think all Crown lands should be roaded before being offered to the settlers for selection. I am also of opinion that it is only fair and right that the occupiers of leaseholds who desire to convert the same into freehold should submit to revaluation in cases where the value of their land has been improved by the expenditure of public money.

91. *Mr. Forbes.*] Would that opinion in regard to revaluation apply to this estate?—No; there has been no expenditure on this estate other than the amount the land has been loaded with.

92. Would you say that Matamata has increased in value since the settlement has started?—Any increased value has been brought about entirely by the efforts of the settlers. I have no doubt in my mind that the value will increase in the future.

93. If you wanted to sell now, do you think there would be any goodwill over and above the value of the improvements?—I do not think so.

94. Was this objection to the lease in perpetuity brought up at the time of the ballot for the sections? Could not the settlers who are objecting now have gone elsewhere for land if this tenure was so unpopular?—I am not aware of any settler making any objection to the lease-in-perpetuity tenure, but they prefer the option of the freehold. That is a very different thing from objecting to the tenure.

95. They have entered into a contract between themselves and the Government: is it not reasonable to think that if they wish the contract altered they are not satisfied with the tenure?—They prefer having the option of the freehold. Of course, in a sense, it implies dissatisfaction with the lease in perpetuity.

96. Did they not feel this dissatisfaction at the time of the ballot?—I cannot say; probably they did.

97. They went into the ballot with their eyes open, and knew the terms and conditions?—Yes; but I believe they mostly went in with the idea that they were going in for a good thing; but they think the option of the freehold would be better.

98. Would they be prepared to pay anything for this better bargain?—I think I have just said so, and, in the case of change of tenure, I think those lands more especially should be submitted to revaluation where they have improved in value through the expenditure of public moneys. I am referring now to the question generally.

99. Do you think if the freehold is not granted this settlement will be a failure?—Not at all. I think the tenure is a good one, and I do not fear any immediate disaster if we do not get the option.

100. *Mr. McLennan.*] Would you be in favour, after the tenants made improvements equal to 33 per cent. of the capital value of their holdings, of all restrictions being removed, and the tenants having a free hand to farm their lands as they think fit?—So far as my knowledge goes, I do not think it matters whether the restrictions are removed or not. I think all the restrictions with regard to this property are quite right, and just about what the ordinary settler would do in the ordinary course of events.

101. *Mr. Matheson.*] When a landlord gives a tenant a lease for a thousand years, do you not think he is giving him something very nearly as good as a freehold?—Yes.

102. Suppose that tenant comes to the landlord and says, "I have a sentimental feeling that I would like to pay you the capital value of this land, because I would feel safer," do you think that landlord as a business-man would be wise to accept the capital value?—I think so, and if he was a landlord dealing in a large way in land he would put more land on the market.

103. *The Chairman.*] Is it your opinion that all lands leased from the Crown should carry the option of purchase?—That is my opinion.

104. As regards the appointment of Land Boards, would you approve of this system: that each district or county in Auckland should exercise the right of nominating one member for appointment to the Land Board, and that the Government should then have to make the appointments from the names so nominated? Would that not ensure fair representation, and save expense as well?—I do not approve of that. I think the Land Boards should be directly elected by the representatives of the people.

105. So far as you are aware, have the Land Boards given satisfaction?—That has been my experience.

WILLIAM THOMPSON examined.

106. *The Chairman.*] What are you?—I am a settler here. I hold 372 acres under lease in perpetuity. I am well satisfied with my lease. I think it is a very good tenure, and it gives a chance to the agricultural labourers who make the best settlers. I have seen a good few Crown settlements, and I consider Matamata has been surveyed into nice-sized blocks. The farms are well laid off, and the rents are reasonable.

107. *Mr. Forbes.*] You think the tenants had better stick to the bargain they have made with the Government?—I am sure of it.

108. Do you think there is a great fear in this settlement of the leases being broken and the sections revalued?—I have no fear of it whatever.

109. We have been told that a man must see the freehold ahead of him before he can put very much heart into his work: have you that feeling?—I work as hard as any freeholder, and my improvements are equal to the improvements on any freehold section.

110. *Mr. Matheson.*] Do you think if the freehold was granted it would spoil a poor man's chance of getting on the land?—I am sure of it.

111. Suppose the right of purchase was granted, do you think a man is as likely to stay on his section as if it remained lease in perpetuity?—I do not know at all.

112. If he is as likely to stay on it under either tenure, then there is no opportunity for the poor man to come in in either case; but suppose one improves his land and gets the freehold and sells out, is it not probable that his improvements will stop the poor man from coming in?—Yes.

113. Independently of the fact of it having been made a freehold?—Yes.

114. *The Chairman.*] As regards the insecurity of the tenure and the fear of revaluation, do you think any Legislature would repudiate a title to land once given?—No, I am sure they would not.

115. *Mr. Matheson.*] Do you realise that in passing the Land for Settlements Act with a compulsory clause the Government have gone back on a bargain to a certain extent?—I do not know of a case.

116. If the Government, having once granted a title, say to a man, "We will take it back whether you like it or not," does it not seem to you that that is going back on their bargain?—I do not know of any case where that has been done.

117. Have not the Government taken estates in Hawke's Bay and elsewhere against the owners' wishes?—Not very small farms.

118. But from very large holdings?—It is quite right to break up large estates.

119. Do you think that what is dishonest dealing with a poor man is honest dealing with a rich man?—No man can work a large estate as well as a small estate.

120. You think that policy is for the good of the colony?—Yes; I am sure of it.

121. Suppose it was for the good of the colony that revaluation should come in, do you think that would be an honest thing?—I think the sections should be revalued for rent.

EDWARD HENRY BUTTON examined.

122. *The Chairman.*] What are you?—I am a settler here. I hold 181 acres under lease in perpetuity.

123. Is there any matter you wish to bring before the Commission?—These are my views: Land Boards should be elected on a franchise similar to the election of County Councils, and not nominated by the Government. I have always found the members of the Land Board, the

Commissioner, and the officials exceedingly just and courteous. I believe the freehold tenure of land to be the foundation of a country's real and abiding prosperity. My opinion, gained from history and observation, is that it is the only tenure that will engender a race of free and independent farmers with principles and convictions of their own, and courage to give utterance to their opinions. I was so persuaded when I took up a section of Matamata that pressure would soon be brought by the independent farmers and all true lovers of their country, to change this objectionable form of tenure into freehold that I did not hesitate to accept the present tenure. The following are some of the reasons why I object to the lease in perpetuity: (1.) The delay there is of obtaining consent to transfer, and the long period of five years before the same can be applied for. (2.) The inability of getting a loan under the Advances to Settlers Act until a year's occupation, even if improvements have immediately been effected. (3.) The impossibility of transferring a portion of the holding. (4.) The perpetual rent, which does not admit of any reduction from year to year. (5.) The cropping and other restrictions. (6.) The fear of revaluation. (7.) Under the lease-in-perpetuity tenure a settler often has considerable difficulty in borrowing money, either from the Advances to Settlers Department or from private sources. I consider that the holders of the lease in perpetuity should be allowed to obtain the freehold at the original valuation, as the increased value, if any, of the land is due to the labour and capital expended on it by the settlers themselves. The unearned increment applies only to land in the vicinity of large towns, and can hardly be said to exist in the country. The Government did not purchase Matamata and similar estates in order to make a profit by the transaction, but to enable the settler of limited means to acquire a farm at wholesale price, so why should not the settlers be entitled to any increase in value solely due to the expenditure of their labour and capital. The aggregation of freehold estates could be prevented by giving the Government power to acquire any land privately owned in excess of the maximum area to be allowed. I prefer the old deferred-payment system of land-tenure before any of the forms under the Land for Settlements Act, it being, I consider, preferable to the occupation-with-right-of-purchase tenure in that provision was made under it for the payment of sinking fund and interest.

124. *Mr. Forbes.*] You thought when you took up the lease you would eventually get the freehold?—I thought it decidedly likely.

125. It is said the lease in perpetuity is a very unpopular tenure: was it generally thought by the others who went to the ballot that they would get the freehold?—I think numbers of them hoped for it.

126. Do you think that a bargain made between the tenant and the State is a solemn thing which should be adhered to?—Yes, until an Act of Parliament annuls that bargain.

127. You say in your statement you have a fear of revaluation: do you think it would be wrong to break this bargain and revalue the lease?—Not if it is passed by a majority of the people's representatives.

128. You do not think the Government of the country could commit a wrong act?—If the present occupation with right of purchase can be changed at the end of twenty-five years into lease in perpetuity, why cannot the lease in perpetuity be changed into occupation with right of purchase, or any other tenure.

129. Was not provision made in the occupation-with-right-of-purchase lease to allow of that conversion?—Yes.

130. There is nothing in the lease in perpetuity that leads any man to think that he will get the freehold of the land?—No, but it is a consummation devoutly to be wished for by every settler.

131. In the event of the lease being altered, do you think you ought to pay something for the extra advantage?—No, I think not, as the Government did not take up the land for the purpose of speculation, but merely to retail it out at the price at which they bought it. The State had no idea of profiting by the transaction.

132. If a profit can be made, is it not reasonable that it should be made?—By the settlers who have risked all their capital and given up so much in taking up the land. I think they should be the ones who should get any profit or unearned increment.

133. Do you think there is such a thing as unearned increment?—Not in country districts.

134. If the lease is altered and a more valuable provision is put in it, do you not think in equity and fairness you should give something for this extra value?—I would not object to an additional 1 per cent. if the settlement had been opened for five or seven years, but not in a settlement such as Matamata, which has only been recently acquired.

ROBERT JOUGHIN examined.

135. *The Chairman.*] What are you?—I am a settler here. I hold 468 acres under lease in perpetuity.

136. Are you satisfied with your tenure?—Yes, I am very satisfied with the tenure, but I would like the right of purchase. The only other point I would like to mention is, that I think a settler should be compelled to reside on his section within six months of taking it up.

137. *Mr. McCardle.*] Is any option allowed to the settler before he resides?—I do not know. I know in some settlements three or four years elapsed before the settlers took up their sections.

138. Have you had anything to do with the Advances to Settlers Office?—No.

JAMES KILBRIDE examined.

139. *The Chairman.*] What are you?—I am a settler here. I hold 411 acres under lease in perpetuity.

140. Is there anything you wish to bring before the Commission?—I only wish to say I am in favour of this lease in perpetuity. I think it is the best system for the public. I think the ballot system should be retained as it exists at present. There has been some complaint about the Noxious-weeds Inspector, but I think the Government should be stricter than they are with regard to the eradication of noxious weeds.

141. *Mr. Forbes.*] Do you find you have the heart to farm your land under lease in perpetuity?—There is nothing to frighten me. I do not fear revaluation.

142. *Mr. Matheson.*] Who do you think would suffer if your lease had a clause in it giving you the right to purchase?—Very likely I would.

GEORGE GIVEN examined.

143. *The Chairman.*] What are you?—I am a settler here. I hold 1,500 acres.

144. Under lease in perpetuity?—No, it is freehold. I do not want any leasehold.

145. Is there any matter you wish to bring forward?—I would like to say I think it is best for the country and best for the man to give the freehold tenure. I have a freehold, and I think it is right to help others to get it.

WILLIAM STOUP examined.

146. *The Chairman.*] What are you?—I am a settler here. I hold 258 acres under lease in perpetuity.

147. Is there any matter you wish to bring forward?—I only wish to state I am in favour of the present tenure, because I know that had there been any thought when the ballot was taken that there would be an opportunity to convert it into freehold we would have had a great deal more opposition than we had. I know of several who would have gone into the ballot had the option been given. I am quite satisfied with the tenure as it is, and I think it should remain as it is.

SYDNEY GUNN examined.

148. *The Chairman.*] What are you?—I am a settler. I hold 221 acres under lease in perpetuity.

149. Are you satisfied with your tenure?—Yes; but I think it would have been better if the land had been thrown open under the optional tenure. The lease in perpetuity is very good for a man of small means to make a start, but I think he would feel safer under the optional system.

150. *Mr. Forbes.*] If the option of purchase had been available at the time of the ballot would there have been more applicants?—Yes.

151. And your chances of getting the land would have been less?—Probably.

TE PUKE, FRIDAY, 9TH JUNE, 1905.

WILLIAM HARRAY examined.

1. *The Chairman* (Mr. McCardle.)] What are you?—I am a farmer. I hold about 400 acres of land under lease in perpetuity in the Maketu Survey District. I am secretary of the Farmers' Union in this district. At a meeting some time ago we discussed the various matters you are inquiring into. First of all, we considered that the Land Board should be partly elective and partly nominated by the Government. That is, one-half should be elected by the tenants of the Crown, so that they should be better represented upon the Land Board. The meeting also decided that the freehold should be given to those holding sections under lease in perpetuity after full improvements had been completed and all other conditions as to residence and so on had been complied with. We think that so long as the Government are selling land at all, a poor man going on to a piece of land under long lease should not be debarred from acquiring the freehold, so that if he had money coming to him at any time, instead of investing his money elsewhere he should have the privilege of buying his own selection. Then, there is the law relating to the disposal of timber on these sections. As you are aware, there is an Act which prohibits a settler from selling his timber without paying a royalty. We consider that is a hardship, and we hope the Commission will recommend that that Act be repealed. As regards the ballot system, we have no great fault to find with that. The only thing is the *bonâ fides* of the applicant should be inquired into, so as to as far as possible stop dummyism. In the case of second- and third-class lands, we think that on double improvements being effected the residential clause should be either abolished, or, at any rate, not strictly enforced. Then, with regard to roading. At present the settlers have very little in the way of roading to their blocks, and they have to put up with a good deal of hardship in carrying provisions and other things on their backs. The present method of loading land for the purpose of forming these roads might perhaps be justifiable if it applied only to branch roads, but the main roads, we think, should be formed at the expense of the country. There is also the question of borrowing or getting accommodation upon leases in perpetuity. I have never myself tried to raise any money in this way, but I believe others have found a difficulty in getting the accommodation they required. With regard to unsurveyed lands, those applying for unsurveyed bush lands are required by the Land Board to pay a heavy deposit, with a view of meeting survey and other preliminary expenses. Even then there is still a large margin left in the hands of the Board—pretty well half the amount asked for—and the tenant asking for the “thirds” to be allowed from this money is refused. There are not “thirds” available for road-making, and we think that is not quite right. There also seems to be a difficulty in getting lands which have been surrendered placed again on the market. We think there should not be unnecessary delay before any section which has reverted to the Crown is again made available for selection.

2. *Mr. Forbes.*] I understand you to say the opinions you have just expressed have been adopted by your union?—Chiefly so.

3. As to your suggestion that the option of the freehold should be given to lease-in-perpetuity tenants, does your union consider that the freehold should be given at the present price or at the original valuation?—At the price at which the sections were taken up, with an additional 1 per

cent. added. I think that is the general feeling, although I am not sure that that particular point was discussed. At any rate, that is my own feeling in the matter. I think it would be altogether unfair to revalue the land to-day, after the settler has spent about three times as much money on the land as the land was worth.

4. Are you referring to Crown lands only, or do you include lands purchased by the Government under the Land for Settlements Act?—I am referring chiefly to Crown lands. No improved estates have been purchased by the Government in this district.

5. Are the members of your union Crown tenants?—Some of them are.

6. Are those who hold land under lease in perpetuity dissatisfied with their tenure?—Yes.

7. Is it at their instigation that your union has brought this matter forward?—Yes, principally so. I am a Crown tenant holding a lease in perpetuity, and I am secretary of the union myself.

8. Do you consider the roading in the back blocks satisfactory?—The settler generally has to go on to the land before there are any roads, and I think in all cases the Government should put main roads through blocks of land before they are thrown open for selection.

9. *Mr. Matheson.*] Do you depend upon Government grants for roadwork here?—We ask for a good many grants, but we do not get much.

10. Are you a member of the local body?—Not at present, but I have been.

11. Can you tell me what the grants from the Government average during the last few years?—I could not.

12. What is your county?—The Tauranga County.

13. Have you Road Boards in the county?—Yes. This is the Te Puke Road District.

14. Do you think it is wise to have two local bodies working in the same area?—I do not.

15. When grants are given are they spent by the Roads Department, or are they handed over to the local bodies for expenditure?—Lately they have been all spent under the supervision of the Government Engineer at Rotorua.

16. Would it be wise that all grants should be handed to the local body for expenditure?—Yes, provided there was a good engineer to see that the money was well spent.

17. Would it be wise, instead of handing grants over to local bodies, to give assistance by means of increased subsidies on the basis that the heavier they rated themselves the greater the assistance they should receive from the Crown?—I think that would perhaps be better.

18. With regard to Land Boards, if a man had to put up as a candidate for election to the Auckland Land Board it would mean a very heavy expenditure, and it would be difficult for him to make himself known. Do you not think that the object might be attained by the County Councils having the right to nominate men, and that the Government should select men from the lists submitted?—That might be a shorter way of getting at it, but whether it would meet with the views of the Crown tenants I should not like to say.

19. Do you think the County Council would pick as good men as the settlers?—I suppose so.

20. *The Chairman.*] Before any system of election of Land Boards could be of great value to the district, do you not think that the numbers of members should be increased to, say, seven in such a large district as this?—Yes; I think the districts like the Bay of Plenty, the Waikato, and other districts should be represented on the Land Board. I think seven would be about the right number.

21. You raised the question of not being allowed to use the timber on your section?—I think there was a time when the Board insisted that the settlers should pay some royalty or hand the royalty over to the Board.

22. I fancy that has been changed, and that the Board does not now insist on the settler burning his timber: I think the settler now has the right to use his timber?—Indeed.

23. How long have you been in the district?—About sixteen years.

24. Is there much in the way of unearned increment in the district?—That is going on, I suppose, in every district to a certain extent; but I think those who talk so much about the unearned increment should take up a bush section for a couple of years, and carry all their stuff to their sections on their backs. We should not then hear so much about the unearned increment question.

HENRY ALBERT VERCOE examined.

25. *The Chairman.*] What are you?—I am a settler. I have 274 acres of swamp land under lease in perpetuity.

26. Is there any matter you wish to bring forward?—I wish to say I took up this swamp land about two years ago. The Government loaded it with 8s. an acre for roading. They have spent most of this money, but it has only been sufficient to do a certain proportion of it; the balance is left for us to do ourselves. I had the first contract for putting a road through the swamp, but the work has been left just half completed. I cannot get at my own section, and all the other settlers are barred from getting on their sections. We have every year to pay the Government interest on this 8s., and we are paying £1 4s. an acre for the land. I think myself it would be better if the Government completed the roads before selling the land to the settlers. There are some thirteen of us on the block, and I do not think one man can get out by road.

28. Do you think the whole of the 8s. has been spent?—Yes, by the Government Engineer at Rotorua, and now we are stuck for want of drains.

29. Have you thought of forming yourselves into a Drainage Board?—Yes; but we also consider it would be to the interest of the Government that they should complete the roads. If not, we shall have to make the roads ourselves. We have made representations to the Government on this matter several times.

30. Are your settlers fairly successful on the swamp lands?—It is quite a new settlement, so that they have not had much chances of being successful yet.

31. Have you had any experience of Land Boards?—Very little; but my own opinion is that it would be advisable that the settlers should nominate a certain number of the members, and the Government should appoint the rest. I think there should be a certain number from amongst us to air our views.

32. Do you think the number of members in a large district like this should be increased?—Yes; I think it would be better if there were six or seven.

33. Are you satisfied with the lease-in-perpetuity tenure?—I should like to have the right to purchase. I have a family of sons, and I would like some day to make my property freehold and leave it to my children.

34. *Mr. Forbes.*] Is there any reason why you cannot leave the lease in perpetuity to your children?—No; but there is always a chance that they may revalue it some day, and consequently we shall not be able to leave so much behind us as we expected.

35. Do you seriously think the Government would break their contract with you?—I could not say.

36. Do you think that fear of revaluation is felt by the settlers, or is it one of the reasons brought forward to upset this lease?—I think the labour unions nowadays have a great deal of power, and they might bring pressure to bear which might force the Government to bring in a revaluation clause some day.

37. Do you think the labour unions are a great power in the land?—I think they are a bigger power than the farmers, any way.

38. What rent do you pay for your land?—Something like £13 or £14 a year, and my County Council rates are about £5 a year; but the County Council has done nothing in connection with my road.

39. Is the ground in the same swampy state as it was when you took it up?—Yes, except that a certain portion of it has been partly drained. It is of no use to any one until the main drains are completed.

40. Do you not think it would be more business-like to drain the land before putting the settlers upon it?—Yes. The Commissioner of Crown Lands told us on the day of ballot that when we took up the land we would have the main drains made.

41. Did you consider that the 8s. was sufficient to make the main drains as well as the roads?—When making the main drains you are making the roads. They have made a main drain right through the centre of it. They have only just stripped 2 ft., and for about a mile or a mile and a half they deepened 4 ft. or 5 ft., but as the money has come to an end there it stands.

42. Would it not be more reasonable to finish the drains and put an extra price upon the land, so as to let the settlers get something off the ground?—The amount of the rent is a very small matter if we can use our land.

43. *Mr. Matheson.*] Do you think another 8s. an acre would provide enough money to complete the roading?—Yes.

44. Do you not realise that under the Loans to Local Bodies Act you can raise that amount yourselves, and repay the capital and interest in forty years?—Yes; but I think, as the Government promised to make the roads they should do so.

45. Would you be pleased to sell out your interest in the property if you could get back the money you have expended upon it?—No. I think I have made a fairly good bargain.

46. Then, is it not reasonable that you should take some means to provide funds to finish your road by means of a loan?—Yes, I suppose so; and I think we could make the money go further if we spent it ourselves.

47. Do you mean that if the settlers had the expenditure of the money they could make it go further than the Government Engineer?—I think so.

48. Have you followed the land-for-settlements policy?—I have a slight idea of it.

49. Do you think the Crown would be wise to allow the settlers on those improved estates to purchase the freehold?—I think if the Crown sold their own lands and left the private estates alone for a while it would be better for the colony.

50. But seeing that they have borrowed large sums of money to settle people on those lands, do you think it would be statesmanlike to allow the tenants to obtain the freehold, and thus pay off that borrowed money?—I think so.

51. *The Chairman.*] I suppose you know you can use your "thirds" to pay interest and sinking fund if you raised a loan?—Yes.

52. Have you applied for a loan yet?—No. When we took up this land we supposed the Government were going to cut the main drains, but the roads and drains have been left uncompleted.

SAMUEL McDUGALL examined.

53. *The Chairman.*] Are you a landholder?—Yes. I have a small grazing-run of 6,200 acres. There are six tenants in the same position as myself, and I am asked to represent their views here. I am asked to make the following statement: We do not think the small-grazing-run tenure can be called a success in this district for several reasons. The runs are the roughest and most inaccessible of the Crown lands, and have least security of tenure. They will not carry a hoof when first taken up, and it is quite three years before they will give any return. Land must be burnt and surface-sown and the fern heavily crushed for quite three summers. Stock must be bought in the spring, when prices are high, and sold or grazed in the winter, when prices rule low. Good hills and sidings will take English grasses, but before many years it dies out, and as this class of country is too rough to plough, all that can be done is to scatter danthonia or microlœna and wait for a pasture. There are too many restrictions on the liberty of a tenant: he cannot sublet or do anything without permission of the Board, and this is a hard matter to obtain. Government valuation for improvements is a good thing in its way, but on this class of country it will never represent more than a half of what the improvements cost. If a tenant is forced to

leave, and cannot sell, which is more than probable, he surrenders; but should no one take up the lease at the valuation the country goes back into its original state, and the first occupier loses everything. It is nearly impossible to sell these leases at anything like the amount of money expended on them. Some people talk of the unearned increment, but in these parts the earned increment has cost just about twice what it is worth. What we would like is to make 2,000 acres lease with option of purchase. This would give us a security which we sadly lack at present. But failing that, we would be glad if the present Act was made so plain that we could without any trouble make 2,000 acres lease in perpetuity. The amendment to the Land Act gives us this privilege, but it makes it necessary that the whole run should be taken up by the members of one family, an impossible condition for a man without a family. There is a general impression that the Land Boards place every obstacle in the way of these runs being made lease in perpetuity, even when the family conditions are complied with. The Act should be made so that if a tenant has fulfilled the terms of his lease it should be only a matter of form to secure the 2,000 acres lease in perpetuity. There is a clause in the Act which gives a tenant the right to select 150 acres, and we all have taken up our holdings with the idea that this means freehold, but we find that it apparently only gives us the right to select 150 acres, through which no roads can be made.

54. *Mr. Forbes.*] What do you pay for your lease?—I pay £40 a year rent for my place.

55. Your suggestion is that you should be allowed 2,000 acres under lease in perpetuity or occupation with right of purchase. What about the rest of the land?—It should be offered to the public in those sized blocks.

56. You think that the 6,200 acres should be further subdivided and offered under tenures you have suggested, giving the present holder the first right over one of these sections?—Yes.

57. The present lease is twenty-one years, with the option of renewal for another twenty-one years?—Yes.

58. How long have you had this lease?—About seventeen years.

59. Will the land be revalued at the end of the twenty-one years and the rent increased?—I suppose so, on the unimproved value.

60. Has the unimproved value gone up since you took up your lease?—I do not think there is any unimproved value at all. The value all depends on the amount you have spent on it.

61. Have you agitated in this matter before?—No.

62. Do you fear that when revaluation comes you will have to pay a higher rent?—Yes.

63. Your improvements would be conserved to you?—I do not think the valuation for improvements would give me anything like what I have spent upon it.

64. What class of land is it?—Fern, tutu, and tea-tree. I have surface-sown it. The Government will not allow me anything for knocking down the tea-tree, and if it is heavy tea-tree it costs me a good deal.

65. Would not the cost of grassing be taken into account?—No; and with regard to the fencing, they would not give you the value for the fencing you have done. They would just take the fences as they stood at their present value.

66. But you are supposed to have had the use of those fences, which only last about twenty-five years. Is that not reasonable?—It is reasonable in one way but not in another.

67. You expect them to give you the same valuation as if it was a new fence?—No; but I think we have a certain amount of interest in that land over and above the valuation, and the valuer cannot see all the work we have put into it.

68. If the valuer is a practical man, would he not be able to arrive at a fair estimate?—I think he would be foolish to give more than the exact value of the improvements he sees.

69. *Mr. Matheson.*] Have you ever written to the Land Board asking if compensation would be paid where you felled heavy tea-tree and laid it down in grass?—No.

70. I think your mind would be more easy if you did?—Perhaps.

71. *The Chairman.*] What stock are you able to carry?—About four hundred head of cattle. We cannot carry sheep because of the Maori dogs.

72. Have you had any experience with regard to the Advances to Settlers Office?—I have had no personal experience, but I do not think money could be raised on small grazing-runs.

73. *Mr. Matheson.*] If your tenure was made more secure, would you do a good deal more in the way of improvements?—Yes, I think so.

73A. Do you pay local rates?—Yes, on the unimproved value.

74. Have you found that the unimproved value is increasing?—I could not say.

75. You say the Native dogs prevent you from carrying sheep: can you suggest any remedy?—The only remedy I can suggest is to bring the Native lands under the same regulations as European lands. If you force the Natives to pay rates they would have to make use of their lands, and they would do away with the dogs.

76. Is there not power to rate the Native lands now?—I do not think the Native lands are rated.

THOMAS LEMON examined.

77. *The Chairman.*] What are you?—I am a farmer. I, with my two brothers, hold 1,000 acres of freehold.

78. Is there any particular matter you wish to bring before the Commission?—I wish to say this: the Natives here use the road as much or more than the Europeans, and they do not contribute a penny towards the maintenance of the roads.

79. *Mr. Forbes.*] Do you suggest that the Government should take over Native lands and settle them?—Yes; I should take them over at a fair valuation, and pay the Natives with Government debentures.

80. What is your view with regard to land-tenure?—I believe in the freehold out and out, and I think the right to purchase the freehold should be extended to the lease-in-perpetuity tenants.

81. Do you think the State would lose anything by making this concession to the Crown tenants?—I do not.

82. Do you think the leasehold is a useful means of allowing men with a small amount of capital to get upon the land?—I consider the deferred-payment system better.

83. Would not that mean larger payments?—Yes; but if the payments were extended over a period of thirty-six years it would be all right.

84. But, under the lease in perpetuity, if a man took up a section he would be able to use his little capital in improving his land?—The difference between what he would pay on deferred payment would not give him a great amount for improvements.

85. *Mr. Matheson.*] Have you taken any notice of the Government policy of purchasing improved lands for settlement?—No; we know nothing about it in this district.

86. You are aware they leased to tenants for a thousand years?—Yes.

87. Do you think it would be wise to give those tenants the right to purchase?—I think every one who gets his living by the land should have the right to a freehold.

87A. Have you taken any notice of the proposal to introduce the old homestead system, which gives to the occupier the freehold of the land on making certain improvements and residing a certain time?—I think it is a very good system.

JOHN WARD examined.

88. *The Chairman.*] What are you?—I am a bush farmer. I hold 264 acres of Crown land under lease in perpetuity.

89. Is there any particular matter you wish to bring before the Commission?—I would like to get the freehold.

90. Have you thought out the conditions on which you should obtain the freehold?—I have not gone into it very much.

91. You know that persons who hold an occupation with right of purchase pay 1 per cent. more than you do: would you be prepared to have your land put up so that the State would cover that 1 per cent. it has lost since you took up the land?—I think that would be fair enough.

92. *Mr. Forbes.*] Had you the option to take up your land under any other tenure?—No.

93. Were you satisfied at the time you took up the land under this tenure?—I had to be. It was only offered under the one tenure.

94. Could you get no other land except lease-in-perpetuity land in the district?—None suitable around here.

95. What rent do you pay for it?—About 4d. an acre.

96. How long have you had it?—Nearly three years now.

97. Do you reside on it?—I do.

98. Why are you dissatisfied with your tenure?—I reckon if a man gets the freehold it is better for him. He can call it his own. It is not a continual drag on him.

99. Did you get your land at the ballot?—No; I applied.

100. Is it heavy bush land?—Yes.

101. Would you be prepared to pay the difference in rent between lease in perpetuity and the occupation with right of purchase if the right to acquire the freehold was given you?—Yes.

102. Have you had anything to do with the Advances to Settlers Office?—No.

103. *Mr. Matheson.*] Are you quite sure you did not have the option of tenure?—Quite sure. There was only one form of tenure offered.

104. Was there more land in the block than you took up?—Yes; there was somewhere about 500 acres.

105. Was it advertised as Crown lands open for selection?—On the Crown lands map it was.

106. Is yours flat land?—Fairly flat.

107. Would it be ploughable when the timber is off?—Yes.

108. Is it capable of holding permanent grass?—Yes.

SAMUEL DOUGLAS examined.

109. *The Chairman.*] What are you?—I am a farmer, holding 1,000 acres under lease in perpetuity.

110. What is the particular matter you wish to bring forward?—I wish to support the proposal to give Crown tenants the right of purchase, because a settler has more encouragement to improve his property when he can have it as his own.

111. Would you be prepared to pay up the difference of 1 per cent. between the two tenures?—I would. Another matter that I wish to speak about is our claim to "thirds." When this land was taken up it was an unsurveyed block, and we had to pay down £50, which went towards the survey fee. I consider that upon this sum we ought to be allowed the "thirds" for expenditure upon the roads.

112. Did the survey cost the whole of the £50?—I could not say, but I do not think it could.

113. Did you not get the land cheaper on account of having to pay "thirds"?—I cannot say that we did.

114. Is not the survey payment counted against your rent?—It counts as rent paid in advance, and carries us on for four years.

115. Was the price of the land fixed when you took it up?—Yes, at 7s. 6d. an acre. We are to get no "thirds" till we start to pay rent, and as yet we have not had the land for four years.

116. *Mr. Forbes.*] Did you ever ask whether the whole £50 was absorbed by the cost of survey?—The block was 2,000 acres in extent in the first place. It was taken up in one block, and £100 was paid down amongst four of us. I reckon that £40 would survey the block.

117. Had you the option of taking up land under any other tenure?—We had to take it on lease in perpetuity.

118. According to law nothing but lease in perpetuity can be granted in a mining district, and this seems to be a mining district?—One of our neighbours, who is within the mining area, has the option of buying his land.

119. What is your reason for wishing to have the freehold?—Because of the restrictions we labour under.

120. Do you not think that those restrictions in regard to residence are necessary in the interest of settlement?—I do.

121. If you were allowed to buy the land, do you think that those restrictions should continue in force?—Yes.

122. Do you wish to purchase the land at the original valuation?—I do.

123. Would you be prepared to pay for the land straight away if you got the option?—Yes; I would buy it for cash.

124. Has not the miner the right of access to your land under lease in perpetuity?—Yes.

125. Under the freehold that would not be the case?—I do not think it would.

126. Has not the miner the same interest in the country as you have? Do you think he would be in favour of allowing a tenure to be given which would shut him out from the use of the land?—I do not suppose he would. I could quite understand the restriction if there were any minerals in the land, but I do not think there are. The property adjoining is the Te Puke Gold Reefs, but whether there is any mineral of much value in the reef remains to be proved.

127. Do you not think that when it is proved that there are no valuable minerals would be the time to object to the restrictions usually confined to mining areas?—But, when are they going to prove that?

GAVIN WALLACE, Jun., examined.

128. *The Chairman.*] What are you?—My father is the holder of a small grazing-run of 8,540 acres, of which I have been manager for the last ten years.

129. What particular matter do you wish to bring forward?—I indorse the statements submitted by Mr. McDougall in writing. I have three brothers, and we are willing to take over the whole place on lease in perpetuity or freehold in 2,000-acre blocks at the original valuation. We prefer the freehold if we can get it. We have spent between £4,000 and £5,000 in improving the property, but I believe that if the Government came in to value it to-day the compensation they would allow would not amount to two-thirds of the money we have expended, leaving our own labour out of the question.

130. *Mr. Forbes.*] When your father took up the land, did he know the term of the lease?—Thoroughly. Since then we have found that our improvements run out about every three years.

131. If you are losing on the property, is it not reasonable to expect that when a revaluation comes about there will be a reduction in the rent?—I am afraid it will be an increase. Ours is very rough country compared with that around us.

132. If the valuer is a fair man, would you not get a fair valuation?—Not one that would anything like compensate us for the labour we have put into the land. The breaking in of some of the flat country has cost at least £3 an acre, but the Government valuer now puts it down as £2 an acre.

133. But you get the option of renewal?—Yes; but if we had the country to take up now we would not take it at nothing per annum.

134. Do you not think that by having it for another twenty-one years at a reasonable rent you can recoup yourselves for the improvements?—We prefer to have a title under which we can do something with the land. We could only sell now at a very heavy loss.

135. But you have security for another twenty-one years; there is nothing to force you to sell unless you are dissatisfied with the valuation?—At the end of twenty-one years, if one is not prepared to continue paying the rent, the property is put up at auction, subject to valuation of improvements. If the valuation is placed at the same rate as the country round about us, we could not continue to pay it. The land would then be submitted to auction, subject to the value of our improvements, but the allowance made nowadays for improvements would never compensate us for our expenditure. We certainly would not wish to continue in possession of the land unless we got some other tenure.

136. You say that you are losing money over the land, and that it is not worth the rent you pay, and yet you wish to buy it?—We wish to reap the benefits of the improvements we have made. The land as it stands is worth far more than the Government would allow us, for we would get what is called the unearned increment.

137. But the land is not worth more than it will produce?—The Government value our ploughed land at £2 an acre. It is worth more than that. Eight or nine years ago we borrowed some money on the place. There were 70 acres lying fallow. The Government Valuer valued the land at 10s. an acre. He would not allow for the state of fertility to which we brought that land, but set it down at 10s. an acre, simply because it was lying ploughed.

138. But in valuing the ploughed land something would be allowed for your having the use of it for a number of years and getting the return?—Yes; but if we had the freehold tenure we would get the full value for our labour, and not merely the Government value.

139. In the case of grass which had run out, though it has cost you a good deal of expense to put it down, even a buyer of the freehold would not pay you for that?—We would get the value of the carrying-capacity of the land.

140. You say that the land does not pay you: do you think, then, that any one would buy at present prices if you showed from your books that the land had not paid you?—I think we would get a purchaser. Other people can sell, and I do not know why we should not.

141. *Mr. Matheson.*] What limit is there to the compensation for improvements?—They allow us £2 an acre for ploughed land, and £1 an acre for surface-sown. The surface-sown at £1 pays us better than the ploughed land at £2.

CHARLES JAMES COLLINS examined.

142. *The Chairman.*] What are you?—I am a farmer. I hold 692 acres under lease in perpetuity; all swamp, partly drained, but still very wet.
143. Is there any particular matter which you wish to bring before the Commission?—Only that I wish to have the option of purchasing the freehold.
144. *Mr. Forbes.*] What rent do you pay?—About £3 an acre.
145. Do you reside on your holding?—It is too wet to reside upon.
146. Do you expect to be able to get the land drained?—Yes, in time.
147. For how long have you been exempted from residence?—I got permission not to reside upon it because the land was so wet.
148. Had you the option of taking up the land under any other tenure?—I bought the land second-hand.
149. Do you know whether the person from whom you bought had the option?—I do not think so. Nearly all the properties in the neighbourhood are held under lease in perpetuity.
150. Why do you dislike the lease in perpetuity?—I do not like a lease in any form.
151. You do not feel secure under a lease?—No.
152. Do you think that the restrictions under the leases are necessary?—To a certain extent, they are.
153. *Mr. Matheson.*] Are you in the mining area?—I do not think so, but I am not far from where the supposed mines are.
154. Would it be for the good of the colony to grant leaseholders the option of the freehold?—I think so.
155. In what way would it be for the good of the colony?—If the State sold the land it would get the value for it.

WALTER TYRRELL examined.

156. *The Chairman.*] What are you?—I am a farmer. I hold 656 acres under lease in perpetuity.
157. What matter do you wish to bring before the Commission?—I would like the option of getting the freehold.
158. On what condition? Do you want to pay off the cost at once?—Yes; and it is inconvenient to reside on a section when it is too far from a school.
159. How long have you held your section?—Only a few months.
160. Then, you are not required to reside on it as yet?—But in a few months I shall have to.
161. *Mr. Forbes.*] Are there any roads to the place?—Yes; but they are not accessible at present for vehicular traffic.
162. How far are you from a school?—I think the Matai Maori School is the nearest, and it is about seven miles away.
163. Have you brought the matter before the Land Board?—No, for that would be no excuse with them.
164. We have been told that in other instances where a settler has been at a disadvantage in education of his children he has been exempted from the residence conditions till a school came reasonably near?—There were a great many applicants for my section, and they have stated that they intend to see that I am kept up to the letter of my conditions. One of these is residence, and I want to be prepared beforehand. I do not think there is any chance of getting a school in the district for some time, as there are very few children of school age, and till there is a school a man should not be compelled to take his family there.
165. *Mr. Matheson.*] How far are you from the nearest Board school?—About ten miles.
166. Are you not aware that the Land Board have discretionary power in regard to enforcing the residence conditions?—No; I thought it was absolutely compulsory that one must reside on the section within twelve months.
167. Where the Crown have let improved estates, and there are schools, do you think that it is wise to grant the right to the freehold?—Yes.
168. Good for the colony as well as for the tenant?—Good for every man.
169. Why good for the colony?—Because a man takes more interest in the place if it is his own, and from that fact the colony will benefit.
170. *Mr. Forbes.*] Do you not think there is a danger in regard to these estates that if you grant the option they may be bought up in large areas again?—There is that danger, certainly.
171. The cost of a number of these estates has ranged from £10 to £15 an acre, and it would take a long time for a man to thoroughly make such a property his own?—I think a man should have the freehold at the original unimproved value. It should be optional for him to take it.
172. What rent do you pay?—£29 a year.
173. Is the land swamp?—No; part of it is open.
174. Are you farming it?—Yes; I have stock upon it.
175. Suppose you got exemption for a few years till your children are big enough to go a distance to school?—Then I would be satisfied.
176. *The Chairman.*] Would it not be possible to prevent aggregation of large estates by an amendment of the Land Transfer Act to debar any person from holding more than a certain area of land?—Yes, I am in favour of such an Act being passed. Even under the ballot system there should be more examination, so as to reduce the number of applicants to a smaller number of eligible applicants than at present.

COLIN PETER CAMPBELL McNAUGHTON examined.

177. *The Chairman.*] What are you?—I am a farmer. I hold 300 acres under lease in perpetuity and 90 acres freehold.

178. What particular matter do you wish to bring before the Commission?—I took up this land about ten years ago. It is in the Papamoa Special Settlement. When we took it up we had no option but the lease in perpetuity. I think it would be more satisfactory if we had the freehold.

179. On what terms do you wish to have the freehold—cash down or on terms?—Optional. For my part, I would buy it out straight away.

180. You would be prepared to pay the difference of 1 per cent?—Yes.

181. Is there any other matter that you wish to mention?—There is the question of Native land. Between this town and Tauranga about half of the land belongs to the Natives, and the way in which they keep their land idle is obstructing the progress of the district. The properties are getting overrun with noxious weeds—Bathurst burr, the Canadian thistle, and ragwort—and the seed spreads over the adjoining country.

182. *Mr. Forbes.*] What would you suggest in regard to Native land?—That the titles be individualised. Until this is done the Stock Inspector cannot enforce the Noxious Weeds Act.

183. Were you satisfied with your tenure when you took up your land?—No; but it was the only tenure that was available to us. We could get no other suitable land.

184. Is there anything in the lease that presses hard upon you?—There are the clauses as to residence and improvements.

185. Is it to get rid of those conditions that you wish to get the freehold?—No; but I think any man makes a better farmer if he has the freehold than when on a leasehold, whether a landlord is a private individual or the State.

186. Did you make any objection to the title at the time when the lease was offered to you?—We wanted to get land under occupation with right of purchase or purchase for cash, but could not get any.

187. Do you not think that the residential clauses are necessary for the settlement of the country?—In some cases, but in others I think that double improvements would be sufficient.

188. Do you think it would satisfy the neighbours if a section were left vacant and double improvements put upon it?—I think it would.

189. Do you think they would be willing to waive the advantage of having neighbours?—It does not suit every one to go on his land at a given time, and double improvements would meet the case. It would prevent land being held for speculative purposes.

190. But do you think it would satisfy those who go back?—It might not please all of them.

191. If you had the right to buy the land outright you would become free from these restrictions: would this be better for the settlement of the country?—I think it would.

192. *Mr. Matheson.*] Do you think it would be wise if an Act were passed making the individualisation of Native land compulsory, and loading the land with the cost?—I do think so.

193. *The Chairman.*] I suppose you are aware that the Crown claims any minerals that may exist in the land, and that this is the reason why the option is not given in districts that are supposed to contain minerals?—That does not apply to this particular land. It was not in the mining district at the time it was taken up.

194. Do you think there are no minerals existing in the land?—I think there are none.

195. If that is given as the reason, do you think it would suit the settler if the Government were to say, "We reserve from this particular land the right to seek for minerals upon it?"—That does not apply to this particular land, because it was not in a mining district at the time it was taken up.

196. But it is claimed that there are minerals: would it not be better for the Government to reserve the right to mine on the land and grant you the freehold?—Certainly.

ALFRED BOSSENS examined.

197. *The Chairman.*] What are you?—I am a settler. I hold 400 acres in this district under lease in perpetuity, and about 60 acres at Te Aroha, part freehold and the rest leasehold.

198. What matters do you wish to bring forward?—In the first place, I consider that the present Land Board is very reasonable and considerate, but I think the districts should be represented, and the Board should perhaps be elected. This district, for instance, is unrepresented, and it is a big district.

199. Would it not meet the case of the settlers if the number of members were increased to seven, and if a man should be appointed from this district having an intimate knowledge of the requirements and difficulties of the settlers?—Perhaps that would answer the purpose.

200. Is there any other matter?—As to tenure, I belong to the Papamoa Special Settlement. We applied to have the right of purchase, and even had our applications filled out, but then cancelled them. It was a Te Aroha association, and most of the members living in Te Aroha dropped out on account of the tenure. Nine others were afterwards obtained in this district. We were refused the right of purchase point-blank.

201. How long ago was this?—Ten or twelve years ago.

202. That was before the Act providing for the lease in perpetuity was passed?—I think so. We think that, considering that we took up rough land, we should be allowed the right to purchase it.

203. Will you pay the difference of 1 per cent. between the terms?—Yes; but I think we should have the land on reasonable conditions as to valuation. I do not think there is much unearned increment in the land of this district, for we have had to pay rates to provide for our own roads. We have had very little in the way of Government grants.

204. What about the residence conditions?—I think if the residence clauses were strict enforced it would stop the working-man from getting land. He cannot make a living from a barr-

piece of land. In my own case, if I had been compelled to live on the land straight away the lease would have had to fall to some one else. I went working on contracts in other districts, and spent my money on the land, and now I am able to reside on it. If you force a man to reside on the land at once he must give it up. Then, as to holding land: there is one neighbour of mine who holds 800 acres by living upon it. I have 400, and if the Land Board chose to be nasty they could forfeit 200 acres of it. It is unfair that I should be in that position. Another neighbour beyond me took up 600 acres with the right of purchase. I put in for 200 acres in the same block, and was refused, and then another man came along and was allowed to have the land with the right of purchase. It is wrong that there should not be one law for us all. I think that the land is mixed up in the mining area, and that the Warden must have interfered.

205. *Mr. Forbes.*] Have you inquired at the Land Office as to the reason why you were exceptionally treated?—I did, and was told that the best thing would be for me to surrender my lease and take up the land again. I cannot afford to surrender it, because I have spent about £1 10s. an acre upon it.

206. If a man were allowed a certain amount of exemption in the case of bush land before the residence was enforced, would not that meet the case?—Yes; it would give a man a chance of getting work done before the condition as to residence was enforced. Very often a man is forced off his land because he cannot reside on it, and a neighbour is able to take it up, and by virtue of his residence on an adjoining section is allowed to hold it.

207. Have you any suggestion to make as to residential clauses? Do you think that as they stand they are reasonable enough?—Sometimes a man gets harassed about the residential clauses, and he is in danger of losing his section.

208. Do you know that if a lessee holds a lease for three years, and makes all his improvements, he can select a residence on another section that he may hold, and this is considered sufficient?—I was not aware of that. That meets my case, as far as the holding of two sections is concerned.

WILLIAM ATHERTON BENNETT examined.

209. *The Chairman.*] What are you?—I am a settler, and holding 200 acres, in two sections, under lease in perpetuity.

210. What matter do you wish to bring before the Commission?—I am one of the settlers on the Papamoa Special Settlement Block. I think that all the settlers prefer the freehold.

211. Do you confirm what the other witnesses have said on that point?—Yes.

212. Have you any further matter to bring forward?—Only this: that it appears to me that the only people who do not comply with the conditions are those who are rewarded by being able to get the freehold. For instance, if a man is not satisfied with the residential and other conditions he can forfeit the land, put a value on his improvements, and take it up under occupation with right of purchase. Another settler, who resides and complies with the conditions, cannot get the freehold, because he has to surrender, and where he has a residence he does not care to do that. The man who has no house does not care, so long as he has good value for his improvements.

213. Do you think that the Government should extend the right of purchase to the lease-in-perpetuity settlers?—They should extend it to the whole lot, if they give it to any. Then, again, if you hold two lease-in-perpetuity sections it appears that you cannot take up a third, no matter what the acreage may be. I do not think that is right. You are allowed to take up 2,000 acres of second-class land, but you may have two lease-in-perpetuity sections of 100 acres each, and in that case you cannot take up a third. That is one reason why I do not think a lease in perpetuity as good as a freehold.

214. Did you get your land at a ballot?—Yes. Twelve settlers had a block surveyed, and then balloted amongst themselves for so many acres each.

215. You would be prepared to pay the extra 1 per cent. in order to get the freehold?—Yes.

216. How long have you held your leases?—Eight or ten years.

217. Have you improved them and complied with all the conditions?—Yes, residence, and all.

218. What rent do you pay?—4 per cent. on the capital value. It was to average 15s. an acre.

219. *Mr. Matheson.*] Do you think that, as a citizen of New Zealand, you have a great interest in the tenure question?—Yes; and I should have more as a freeholder than as a leaseholder.

220. Do you think it would be wise to give the leaseholders the freehold?—It would be better for the colony and better for the settlers.

221. In what way would it be better for the colony?—The settlers would take more interest in the land as freeholders.

222. *The Chairman.*] Is not the right of purchase of greater importance to a working-man than the lease in perpetuity, in enabling him to finance?—Certainly, he can finance much better under the freehold than under lease in perpetuity.

EDWARD JOHN MATTHEWS examined.

223. *The Chairman.*] What are you?—I am a farmer. I, with my brother, hold 413 acres of freehold, and I myself have 137 acres under lease in perpetuity.

224. You have heard the evidence of the previous witnesses?—Yes.

225. Do you confirm what they have said?—Yes. I only now wish to emphasize the necessity of something being done as soon as possible in connection with Native lands. We are bounded on one side by a large block of Native land, on which ragwort is spreading very rapidly. We have been out for several days gathering it up and burning it, but we cannot devote sufficient time to keeping the Native lands clear. We think fresh legislation is necessary in connection with Native lands. It would be best, I think, for the Government to purchase the lands from the Natives on somewhat the same principle as land is now purchased by the Government for settlements, or else blocks of land should be reserved for the Natives, and the Natives should be allowed to sell the remainder to Europeans. Failing that, greater facilities should be given to enable settlers to

lease lands from the Natives. At present the cost is too great. Although leases may be obtained through the Native Land Councils, the cost is very great, and the difficulty of obtaining signatures is a great bar. I think that in cases where there are a number of owners in a small block of land the signatures of the majority should be sufficient, because it frequently happens that when there are, say, fifty Natives interested in a block one man may have a half-acre share, and there may be more difficulty in getting that man's signature than in getting the signature of a man who owns perhaps half the block.

226. *Mr. Forbes.*] Are there any other weeds on this Native land?—It is chiefly ragwort up near my place, but I believe there is also some Bathurst burr, as well as the usual briars and gorse.

227. You think that in itself makes it of great importance that this Native-land question should be settled?—Yes.

228. *Mr. Matheson.*] Do you think the first step to be taken is to make the individualisation of lands compulsory?—I do not think that would do it, because if you have fifty owners in a 100-acre section, and one man owns a half-share, even though you individualise it you have just the same difficulty in leasing that 100 acres as you have now. You have got to get his signature.

229. Suppose the second step was that the Crown take over all the land not needed for the immediate use of the Natives under the land-for-settlements system, would that be satisfactory?—I think so.

WALTER JOHN SPOONER examined.

230. *The Chairman.*] What are you?—I am a coachbuilder. I have only my small section in the township. Immediately close to the township there is a block of 500 acres of Maori land which we are unable to deal with. Several people have tried to get a lease of this land, but there is the difficulty of dealing with it that the previous witness has informed you, because there are over seventy Natives interested in this block. Some of them are agreeable to lease, but others will not lease. I think the Government ought to step in and either take over the land or place it under a Board, who should have power to lease it for the Natives.

231. You think the present Act does not meet the requirements of settlement?—I have been trying for the last twelve months to get a small section on which to run a couple of horses, with a cow, and I have not been able to do so, although I have spent money in trying to get a lease through the Council. You will have noticed, no doubt, that there is a large amount of neglected rough land close to the township, which is a great drawback to the district.

232. *Mr. Matheson.*] If the Crown took over Native lands and leased or sold them, do you think the moneys collected should be set aside and the interest paid to the Natives yearly?—I think it would be better if the lands were individualised, and then leased by a Government official, and the rents paid to the Natives in proportion to their interests.

233. Suppose a Bill were introduced to do that, would the Natives feel they were being harshly dealt with?—I do not think so. I believe there is an Act already in operation in the Taranaki district having a somewhat similar object. A number of the Natives at present are anxious to lease on account of the noxious weeds.

234. Are they signing a petition for some improvements to be made in the machinery for dealing with Native lands?—Not that I am aware of. I know a number of them have been trying to lease the particular piece of land I have spoken of, but they are not able to do it.

DAVID McCracken examined.

235. *The Chairman.*] What are you?—I am a settler in this district. I hold something over 700 acres of freehold land.

236. What matter do you particularly wish to bring forward?—I wish to state the tenure I consider would be best for the working-man. The first land I took up was under the old deferred-payment system. I worked on the land and fulfilled all the conditions, eventually paying for the land and getting the freehold. After that I took up a perpetual lease. That system I did not get on so well with. The reason I do not like that system is, that you have officers going round, and if you want to deal with your property you cannot cut it up or do anything without the Land Board's consent. If you want to lease part of your ground to your neighbour it is more than probable your neighbour would have 640 acres of land, and you would be refused the right to lease. I think every one should be allowed to have his bit of freehold, and I think the first and best step to bring that about is to reintroduce the deferred-payment system.

237. Do you believe in the extension of the deferred-payment system from ten to twenty years—that is, to increase the period within which all payments are to be made to twenty years?—Yes, I do.

238. *Mr. Forbes.*] What is your objection to the occupation with right of purchase?—I have no objection to that, because under it a man has a chance of getting the freehold.

239. Do you not think a man should have the option of taking land under any system of tenure he likes, including the lease in perpetuity?—Well, of course, if a man has his choice it is his own fault if he takes up a lease in perpetuity. I wanted to say I do not think the Government should buy estates while there is a large area of Crown and Native land which the Government could acquire at a cheaper rate.

240. Do you not think a poor man, who gets a piece of improved land, would do better than if he got on to a piece of tough bush land to try and make a home for himself?—Well, a poor man on a piece of bush land might perhaps have to struggle for a year or two, but I think he will come off best in the long run.

241. Do you think a man can get a return off bush land in two years?—Yes. If I fell my bush this winter I can take a crop of grass-seed off it, and I can get it down in grass.

242. We have had in evidence that it takes five years before a man can get anything off bush

land?—I think that a man who says that is not a bush settler at all, or he does not understand his work. I have been working land for the last forty years, mostly bush land. I have been in Taranaki and Rangitikei, and I have always been able to get a return in two years.

243. Have you had any experience of these improved estates the Government have taken up?—No, but I know the tenure, and I do not believe in it. I think it is better to open up the Crown lands. I should say that in three years, at any rate, a man who understands bush land would be all right.

244. *The Chairman.*] How do you take money off a bush section in the second year?—I sow it down in grass and turnips right away immediately after my burn. I put on sheep and cattle immediately, and the grass I take will bring in a return of about £1 10s. an acre.

245. But if you put on cattle you will have to pay £7 or £8 a head, and you will not be getting any return from your stock for the first year or two. Some men say it takes them five years before they get a return?—If you put on calves you will be able to sell them before that time. And in twelve months I should have good grass, and I could make something out of dairying.

246. What about roads? You cannot do anything till you have a fair road?—The question of roads is the main trouble. I think the Land Board should not open land for selection until it is roaded.

ROBERT SEDDON examined.

247. *The Chairman.*] What are you?—I am a farmer. I hold 192 acres of freehold and 300 acres of leasehold. I have been in business for seven years as an auctioneer, and have had a good deal of experience of the different kinds of land-tenure you are inquiring into. I believe the best tenure we have had is the deferred-payment system, though I consider the occupation with right of purchase is very good, because it gives the right of purchase.

248. Is it your experience that a man holding land under lease in perpetuity finds it difficult to finance if he wants to buy stock and so on?—It is. The only channel through which he can borrow is the Advances to Settlers Department. A great deal of our land about here is held under lease in perpetuity. Tenants had no other option. This Te Tumu land was thrown open without any option.

249. We have been told that people want the occupation with right of purchase simply in order that they may have the right to sell?—I do not think that is it at all.

250. Do you think it would be any injury for the State if all tenants were given the right of purchase?—I do not think so.

251. In your opinion, anything which assists in wedding people to the soil must be in the interests of the country?—Yes.

252. *Mr. Forbes.*] Why cannot people finance on a lease-in-perpetuity section as they can on an occupation with right of purchase?—They have not the same security to offer.

253. Is there not the same danger of forfeiture for non-compliance with conditions within a certain time in connection with an occupation-with-right-of-purchase section?—Yes, within a very short time; but that is very different from 999 years.

254. But the occupation with right of purchase is not as good as the freehold to advance money on?—It is nearly as good. The only difficulty is the residence clause.

255. Do you think the residence clause is necessary?—I do not think so. I think there is a good deal of humbug about it, and it is evaded in nine-tenths of the cases.

256. Is it not reasonable for people who go into the back blocks to wish to get their neighbours there also?—It is a reasonable wish, but in many cases you will find that people do not go out to reside, and if they were forced to reside in all cases a good many would have to part with their land.

257. Does not a man get four years exemption from residence on these back blocks?—Yes, but I do not think that is sufficient. I think a man should have a certain amount of capital before going on to the back blocks.

258. Under the Land for Settlements Act applicants have to undergo an examination as to their means, because it is considered they cannot work the land profitably without a certain amount of capital. Do you think the same regulations should apply to these bush lands?—I think it is a very good system.

259. Do you think, in connection with these bush lands, if men have to live there a long time without roads it only means disaster in the end—that is, if they have not sufficient money to wait for some years?—Yes. One great hardship in connection with these bush lands is that the selectors have been led to believe when they took up land that roads would be open, and roads have not been open in ten years time. I believe in the Government putting in the main roads and main drains to these swamp lands before the people are placed upon them.

260. Do you not think it is more important to have roads than to have the land at a very low rental?—Certainly it is better, even if it is necessary to load the blocks and make the tenants pay an extra price.

261. *Mr. Matheson.*] Do you agree with the previous witnesses that something must be done to deal with the Native lands which are said to be a harbour for noxious weeds?—Yes; some steps must be taken to deal both with the Crown and Native land.

262. *The Chairman.*] You think the Government ought to open up the roads before settlement?—I would like to say I do not believe in the ballot system; I prefer the auction.

JOHN ABERDEEN MCGHIE examined.

267. *The Chairman.*] What are you?—I am a farmer. I hold 165 acres under lease in perpetuity, 250 acres on Maori lease, and 165 acres leased from my neighbour, who has made his section a freehold. Since taking up my lease-in-perpetuity section I have changed my mind as to
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the best tenure to have, and I would be glad to have the right to purchase. I would gladly pay the extra 1 per cent., which I should have had to pay if I had taken up my section under occupation with right of purchase.

267A. Do you agree with the evidence given by previous witnesses on the subject?—Yes.

DANIEL DONOVAN examined.

268. *The Chairman.*] What are you?—I am a farmer. I hold 98½ acres on perpetual lease and 150 acres freehold.

269. Is there anything you wish to bring before the Commission?—I took up my section twenty years ago. There were eighteen sections altogether in a block of 2,000 acres, and there are only five settlers now residing on that block. The balance of the block was taken up by people outside the district for the purpose of running cattle. I think that the residential clauses of the Act should be strictly enforced, otherwise those settlers who live on the block have to suffer for the want of schools and other things which come with closer settlement. I prefer the tender system to the ballot system. As regards revaluation, I agree with those who say that there are improvements made on a bush section which would never be given credit for by any valuer. With regard to the Land Boards, I agree that the number of members should be increased to seven. The Commissioner of Crown Lands should be one, and the others should be chosen from among the Chairmen of the County Councils.

270. You are aware the Chairman of County Councils are elected annually: would not the Commissioner be constantly employed training the County Chairmen in thier duties?—I think the County Chairmen are pretty well up in those duties already. I am of opinion that the whole of the waste lands should be thrown open for selection as unsurveyed lands, and they should be offered to selectors rent free for the first few years, provided the settlers made the roads. The counties would be able to rate those lands when taken up, and the country taken up would soon be so improved that there would be a rush for the remaining lands.

271. *Mr. Matheson.*] Do you think the country would be a loser if the freehold were granted to the Crown tenants?—Not at all.

JOHN POENIA TAYLOR examined.

272. *The Chairman.*] What are you?—I am an intending settler, and I have already 43 acres under occupation with right of purchase.

273. What do you wish to bring before the Commission?—Seeing that so many have been advocating the freehold tenure, I thought I would like to advocate the leasehold.

274. Is that merely by way of creating a diversion, or do you believe in the leasehold?—I am strongly of opinion that the leasehold is the best. I have spoken to hundreds of settlers here, and they are all in favour of the leasehold. I never heard any one give an opinion in favour of the freehold from a national point of view. It is always from the point of view of the individual.

275. Do you believe if all the lands were leased by the State for 999 years it would be greatly in the interests of the colony?—Yes.

276. You can easily convert your own holding into a lease in perpetuity?—I am not going to do that while others are given the right to purchase.

277. Do you approve of what the other witnesses have said with regard to the Native lands?—Not altogether. The difficulty about the Government taking over the Maori lands is this: there are large areas of Maori lands which were worth only about 7s. 6d. an acre, but by the draining and fencing and other improvements made by adjoining Europeans they have risen in value to £8 to £10 an acre. The Maoris themselves have done nothing to bring about this increased value, and yet, I suppose, the Government would be called upon to pay them that increased value.

278. *Mr. Forbes.*] We have been continually hearing it in evidence that all the increased value in these country lands has been brought about by the occupiers themselves?—I do not hold with that. I do not think any man takes up a section with a view of getting value for his improvements. He takes it up in the hope of a rise.

279. You think there is unearned increment in country lands?—I would not call it unearned increment, because it is earned by the neighbours.

JAMES HENRY FENTON examined.

280. *The Chairman.*] What are you?—I am a farmer. I hold 224 acres of freehold and 170 acres under lease in perpetuity. I should like to be in a position to get the freehold.

281. Do you agree with the evidence of the previous witnesses who have given evidence on the same side?—Yes, I agree with Mr. Donovan's evidence and with those who have advocated the occupation with right of purchase.

ROTORUA, SATURDAY, 10TH JUNE, 1905.

WILLIAM SEDDON examined.

1. *The Chairman.*] What are you?—I am a settler at Ohinemutu. I hold two sections in the township on ninety-nine years' lease under the Thermal Springs District Act. I wish to say that I am strongly in favour of the freehold. I think that leaseholds generally are of no value. I feel that a man who holds a lease is like a borrower; he is the slave of the lender.

HORACE STEPHEN WALTER KING examined.

2. *The Chairman.*] What are you?—I am a settler. I hold 315 acres under lease in perpetuity in the Arawhia Block, in the Mamaku district.

3. Is there any matter you wish to bring before the Commission?—The settlers in my district talked this question over, and, as none of them were able to come to town, they suggested that I should come along and represent their views to the Commission. All I have spoken to are strongly in favour of the option of purchase, with the exception of one man, and he is a land-nationaliser. But even that man says he would rather have the freehold as things are now. The chief trouble with us is that there does not seem to be adequate control by the Land Board. We only see the Rangers occasionally, and when they do come apparently they overlook things. I have made representations, for instance, that noxious weeds should be tackled on Crown lands, but nothing has been done. There are too many Crown lands in our district unoccupied. Some of them are supposed to be occupied, but the tenants do not reside. Ragwort is spreading, and although we have made representations nothing has been done to make the absentees come forward and do their duty. We feel something ought to be done.

4. Is the Noxious Weeds Act in force in your district?—I presume it is. I would like to say I was a freeholder at Manurewa up till ten years ago, and I came to the Mamaku district and took up a Government lease, presuming that I could not have a better landlord than the Government. I have since found that idea to be a fallacy.

5. *Mr. McCardle.*] Is your reason for asking for the right of purchase that you may get a better tenure than the one you now hold?—I am very well satisfied with the lease as it stands. My only wish for the freehold is that I feel now, after five years' experience in the hands of the Government, that the Government is not a good landlord. A good landlord would look after the district and see that these things I have mentioned did not occur. A good landlord would spend money on roads of some use, and would not spend money on roads of no use at all.

6. Are you aware whether settlers are able to finance their position as well under leasehold as under freehold?—I have had nothing to do with the Advances to Settlers Office, but I presume private money-lenders would rather advance on freehold than on leasehold.

7. Have you made any improvements?—Yes; I have spent £500 in five years.

8. If you got short of money and wanted to borrow £250 on your leasehold, do you think you could get it?—I do not think so.

9. Is it not an advantage to a man working land that he should have such a tenure that he is able to compete with other landholders in the money-market?—Certainly.

10. Do you not think that when a tenant has done sufficient improvements of a permanent character on his land, he should be placed in the same position as a freeholder, and be out of the control of the Land Board altogether?—Yes, I think so.

11. I suppose you know that the Land Board have nothing to do with the enforcement of the Noxious Weeds Act: that is a matter for the local authority?—I presumed that the Land Board, being the landlord, it is to their interest to see that the land is kept in proper condition.

12. A good number of witnesses who have come before us have advocated that a number of the members of the Land Board should be elected, while others favour nomination: do you think if you were a member representing the interests of the settlers in this district your wants would be better attended to?—Certainly, I am in favour of an elective Board.

13. You know that this is a large district, and that the present Land Board only comprises four members: would you be in favour of the number being increased to six or seven, so that each district should have fair representation?—I would be in favour of increasing the number even above that. I think that the land district should be divided into portions, and that each portion should be allowed to elect a member to the Board. These members would then know if a person was taking up land simply for the purpose of speculating in timber, and they could prevent that.

14. *Mr. McLennan.*] Are these absentees freeholders?—They are mostly under occupation with the right of purchase.

15. Did you have an opportunity of taking up your land under occupation with right of purchase?—No; I bought it from another man.

16. You say you think it is advisable that Crown tenants should have representation on the Land Boards: suppose you were a large land-proprietor and had tenants yourself, would you permit your tenants to elect a steward to look after their own interests?—I would certainly do so if I had to depend on the votes of my tenants to keep me in my position.

17. Others have the privilege of keeping the Government in their place as well as the Crown tenants?—Yes, but I think this puts them in a different position than the ordinary landlord.

18. There are over five thousand Crown tenants in this land district: do you not think it would be a mistake to allow them to elect a member to the Land Board?—I have heard no reason against it. The tenants are the people most interested in the lands.

19. The towns are interested in Crown lands as well as the tenants: surely you would give them the privilege of electing a member?—The Government should have the nomination of a certain number of members to the Board. I should have no objection to that.

20. The Government nominate already, and if you extend the privilege of electing a member to the Crown tenants, surely you should extend the same privilege to the towns as well?—I would not object so long as there is a certain number of members on the Board to represent the tenants themselves, and to explain to the Board the local conditions of the different districts. With the few members on the Board now it is simply impossible for the Board to understand the local conditions of the different districts.

21. Supposing there was a member on the Board to represent each county in Auckland, would that not suit you as well?—That perhaps might be sufficient. There is no doubt the membership is insufficient now, as is evidenced by the condition of things in our district.

22. *The Chairman.*] Have you studied the matter of land-tenures?—I cannot say I have studied it very much.

23. You said the leases should carry the option of purchase?—What I wanted to convey is that lease-in-perpetuity holders should have the option of converting to freehold. I am simply speaking from my own experience.

24. *Mr. McLennan.*] Were you elected at a meeting of the tenants to represent their views here to-day?—There was no meeting. They were unable to attend a meeting.

JAMES BISHOP examined.

25. *The Chairman.*] Do you hold land?—Not at present.

26. Is there any matter you wish to bring before the Commission?—I held some land, but it was taken from me. In 1893 I took up a section of 570 acres under lease in perpetuity, about six miles from Rotorua. There was no road to it, and I made a road of five miles and built two bridges of 60 ft. each to provide access. I held the land for two years, and then I found the roads wanted to be improved. I saw the Surveyor-General, and told him I could not pay my rent unless I could get a road. I might say I was surrounded by Maoris, and I could not get in or out of my place unless I paid for permission to cross their land. I saw the Surveyor-General here, and I came to an agreement with him that my roadwork was to go towards my rent. I asked the Minister of Lands to send some one to inspect my work and value it, and then the next I knew was that my land was forfeited for £29. I petitioned the Waste Lands Committee, and they recommended me for compensation, but I can get nothing out of the Government. The following letter explains the whole position:—

“Rotorua, August, 1902.

“SIR,—I wish to call your attention to the forfeiture of my land, which was held on lease in perpetuity at Rotorua, for arrears in rent, and also to call your attention to the correspondence that passed between me and the Government. On the 21st October, 1900, I wrote to the Minister of Lands, stating that when I first took up the lease there was no road to it, and that I had to make a road to the section, and also to make two bridges over two streams, each bridge being 60 ft. from end to end, and made of rough timber. I also requested the Hon. Minister of Lands to send some honest person to inspect the work, and also to inspect my clearing, and to allow me 100 acres out of the 570 acres; and I also offered to erect a new bridge in place of the old bridge, which is now rotten, the bridge and the approaches to be completed in accordance with specifications, and the cost of erecting the bridges to be allowed for payment of rent which is now due. I also stated that I had had bad luck in losing my cattle, crops, and draught horse, and that I thanked God that I had my hands and could work, and would the Government give me work. In reply to the above, the Hon. Minister of Lands sent me a very encouraging letter, saying that it would receive consideration; but another letter, dated the 17th January, 1901, states, ‘In further reply to your letter of the 1st instant, on the subject of your forfeited lease, I am informed by the Commissioner of Crown Lands, Auckland, that your rent is in arrears to the extent of £29 9s., and as there was another applicant for the land which you forfeited in accordance with law, your application could not be entertained.’ Here is another letter, dated the 8th February, 1901, ‘I am directed by the Hon. Minister of Lands to inform you that inquiries have been made into your case, and it appears that the reason of your failure with the land selected by you is principally because you were without sufficient means to work so large an area, and you consequently got into arrears with your rent, and the Land Board, in carrying out the requirements of the law, forfeited your interest in it accordingly. Your application to be allowed to reselect 100 acres of the cleared land came too late for consideration, as it had been in the market and applied for by a selector who had the right to acquire the land. I am to add that the Minister regrets the position in which you are placed, but is unable to assist you, other than giving you a share of Government work, which, it is understood, you now have.’ I was kept in the dark in reference to the land being open for selection. The first information I got was from Mr. Hay, from the Waikato, who came to inspect the land, and I at once wrote to Wellington to inquire whether the land was opened for selection, and received the following letter: ‘7th January, 1901.—I have the honour to acknowledge the receipt of yours of the 1st instant, and to inform you that it will receive consideration.’ The first notice that I got from the Government in reference to the land being opened for selection was a telegram, dated the 16th January, 1901, which I copy here: ‘James Bishop, Rotorua,—Your land opened for selection to-morrow at Auckland.—A. BARRON.’ All applications for the land closed on the 16th January, and for what purpose was this telegram sent? My application was made on the 21st October, 1900, and I was told that I was too late, as the land had been put in the market and applied for by an applicant who had the right to acquire the land. That is, certainly, plain speaking. In a letter dated the 8th February, 1901, I am told that my application came late for consideration, and in a telegram dated the 16th January, 1901, that my land ‘will be opened for selection to-morrow.’ I have lived on the land about seven years, and consider it hard lines to be turned out after all the work that I have done without getting anything for it. When Mr. Percy Smith was at Rotorua about five years ago I saw him at the Sanatorium, and I told him then that if I could not get a road to the section I could not pay the rent, and an agreement was made between him and me that what roadwork I did should go to pay the rent. About two years and a half ago I wrote to the Surveyor-General (Mr. Percy Smith), saying that I had got a cheque for £15, and wanted to know what to do with it, and he replied and referred me to the Receiver of Land Revenue; but I was advised to write to the Commissioner of Crown Lands first, which I did, and got a reply saying that if I paid the full amount of rent that only the land which I had improved would be given back to me, and I did not send the money, but kept it. I do hope that inquiry will be made, whether it will do me any good or not, and it would be to the benefit of Auckland if there were something done to reform the Land Board. The members ought to be elected. The Commissioner of Crown Lands has stated that I have not been dealt harshly

with. Here is a man with a large salary, and who has the power to do and say what he likes, and to take the land from one man and give it to another without paying for any improvements. This is a copy of a paper which I sent to Wellington twelve months ago, and I have to ask you again to let Sir Joseph Ward read it.—Yours sincerely,
“JAMES BISHOP.

“Mr. W. H. Herries, M.H.R., Wellington.”

27. *Mr. McCardle.*] Had you done any improvements?—Yes, a hundred and fifty pounds' worth.

28. Did you get anything for them?—No, I was not allowed for improvements, and I got nothing for my roadwork.

29. Is your full statement contained in the document you read?—Yes.

ARCHIBALD CAMPBELL TURNER examined.

30. *The Chairman.*] What are you?—I am District Road Engineer

31. *Mr. Matheson.*] How large a district do you look after?—My district extends from Waihi to the East Cape and south to Taupo.

32. Are the moneys you expend Crown grants?—Yes.

33. Is the work done by contract or by co-operative or day labour?—By co-operative and day labour.

34. Could you tell us what the administration costs in proportion to the amount expended on the roads in actual labour?—I cannot without going into figures.

35. Could you tell us what the grants you have expended during the last five years have averaged per year?—I could not say positively, but I think I had about £10,000 last year. I would like to make a suggestion in regard to roading blocks of land which are loaded under the Loans to Local Bodies Act. The moneys are voted out of the loans, and in many cases there is no access-road to the block. It costs more to road a block when there is no access-road to it, because the materials have to be packed in through the bush, and we have to value the work higher to the men on that account. I think it would be better to make the approaches first to the block.

36. Is it customary to start roads in new blocks which have no connection with the outside world?—It has been lately, and we have to value the work higher to give the men a fair wage to make up for the loss of time.

37. Is one of the difficulties here the large areas of Native land which bring in no revenue to the local bodies?—Yes.

38. And in order to give access to the Crown blocks you have to road for miles through Native blocks?—Yes. If we could use the loading money to make approaches to these blocks and then have money afterwards to make the roads in the blocks the work could be done cheaper.

39. *Mr. McCardle.*] Are the loading and the “thirds” spent on roads other than the roads directly interested?—I spend the “thirds” on the blocks interested or on the roads approaching them. I consult the wishes of the settlers, as a rule.

40. Do you not think the Government ought to find the money for the roads approaching a block, and then use the loading and “thirds” towards roading the block itself?—I think so.

41. Is not a large amount of the £10,000 you mention spent in the township here?—No; the township is under the control of the Town Council, of which I am Chairman.

42. Is anything like a satisfactory amount of money voted by Parliament to meet the requirements of settlement?—There is not sufficient money.

43. Have you many settlers in your district miles away from roads?—Yes, there are a good few.

44. How long have they been in that state?—Some few years.

45. Is it in broken bush country?—Yes.

46. Have they to cut their own tracks through the bush?—They have to get in and out the best way they can.

47. Do you think, as a practical man, that is a satisfactory state of things for the settlement of the country?—No; I think the roads should be made first. Of course, it is a question of money.

48. Is there any other object of greater importance to which money could be devoted than making roads to settle the country?—I do not think so. In regard to the question of “thirds,” I would like to point out that “thirds” are lost in the case of people who buy lands for cash. I think the Act ought to be amended, and that cash lands should contribute something for roads. As a rule, I think the loading is too low.

49. Would it not take the whole value of the land to make the roads in many instances?—I suppose it would.

50. Would it not be better to allow that money to go towards making roads, and allow the settlers to raise a loan on the strength of the “thirds”?—It might be. I think in some cases the prairie value is fixed too low. We can only load for roads up to one-half the prairie value.

51. *Mr. Matheson.*] Do you think it would be wise to load the land with a sufficient amount to make roads before the land is opened for settlement?—I think so. I have heard the settlers say in the Wellington Province many times that they wished the land had been loaded 10s. more than it was to give them roads. There is another point. In opening up large swamps I think it is very advisable to make the main drains and have a proper system of drainage laid off before the land is offered for selection. The land could then be loaded with the cost of making the main drains.

52. *Mr. McCardle.*] We had complaints at Te Puke about the drains you refer to: the settlers say the land was loaded to the extent of 8s. per acre, and the whole of this money was spent, and the difficulty now is that if they want to raise a loan to complete the drains those settlers whose land is already drained will not vote for the loan?—That is so. There has been great trouble with drains between Whakatane and Matata. The land was disposed of before it was drained, and there is a difficulty now in completing the drainage.

53. *Mr. Matheson.*] Have you a personal knowledge of these swamp lands?—I have.

54. Do you know if Government money has been spent there without the levels having first been taken?—That was the case at Kaituna. When I started the drainage there I found it necessary to take the levels.

55. In the first instance the Government spent money on drains without the levels being taken?—We started on the work, and I found I could not do it. It is a very difficult swamp to drain properly.

56. *The Chairman.*] Is it a fact that the outlet from the sea is blocked?—The river is tidal from one end to the other, and that causes trouble. We have drained some of the swamp, and so far it has been a success. It could all be drained, I think, sufficiently to grow flax.

AUCKLAND, MONDAY, 12TH JUNE, 1905.

JAMES MACKENZIE further examined.

1. *The Chairman.*] You are Commissioner for Crown Lands for Auckland?—Yes. I have to lay before the Commission the following statement of my views: I should like to precede what I have to say by asking the indulgence of the Commission on account of the short time I have been in charge of this very extensive land district. I may say that prior to your visit I had only made flying tours through a few of the districts, and many of the localities I visited for the first time when recently accompanying the Commission. Taking the leading headings of the order of reference seriatim: With regard to Land Boards, I am decidedly of opinion that the principle of their present constitution is a good one. The only alternative I could suggest is, that in a large district like this the number of members might possibly be increased with advantage, not but that the present number is ample for the business put through, but some of the outlying districts, such as the far North of Auckland, Tauranga-Rotorua, and the King-country, sometimes complain of inadequate local knowledge and representation. If the elective element is to come in at all, then I take the view that it should come from Crown tenants to the extent of, say, 25 per cent. of the Board, exclusive of the Commissioner. But, as before stated, I prefer the present nominated method, which has worked well, and is more likely to administer our land laws consistent with the policy of any Government of the day than any elective body could ever expect to accomplish. Regarding the land-tenures of the colony, in the Auckland District we have no fewer than twenty-three different tenures, a copy of which I have for convenience sake run out in the attached schedule, with a very brief *précis* of the conditions of each. From this it will be seen that the State has no less than 5,054 tenants of all classes in this district, holding 1,348,385 acres, the rents from which amount annually to £44,040 9s. 6d., whilst the total area of our alienated Crown lands, in addition to this, amounts to 2,154,718 acres. In round numbers there still remains 1,706,556 acres of Crown land, of which 827,170 acres are at present open for selection, and 879,386 acres not yet opened. Of the latter area 338,000 acres are being prepared for settlement, and it is estimated that something like 150,000 acres of entirely new country will be ready for application during the current financial year. The kauri-gum and forest reserves absorb 229,412 and 256,767 acres respectively, which I have also scheduled, making an approximate grand total of about 486,179 acres to be added to the above Crown areas. In reviewing the tenures at present existing in Auckland, it is unnecessary, I think, after what the Commission itself has observed during its tour, to mention that the main interest here is concentrated in the closer settlement conditions of ordinary Crown lands, particularly those under Parts III. and IV. of "The Land Act, 1892," in contradistinction to the pastoral runs and land-for-settlement tenures in the South Island. As noted in the return I have supplied, there still remains under the Act of 1885 and its amendments forty deferred-payments and 236 perpetual-lease holdings. Both of these tenures are gradually being worked out—the former into freehold, and the latter either to freehold or lease in perpetuity. Doubtless a great deal of solid settlement has resulted under these tenures, and many persons still like them, yet, personally, I would not now favour their reintroduction, their place having been taken under the 1892 Act by the conditional cash and occupation-with-right-of-purchase tenures. I might here mention that my views are generally more in the direction of the reduction and consolidation of tenures than in their increase. In fact, as far as practicable, I should like to see everything bearing on close settlement gathered, so to speak, under the optional system of Part III. of "The Land Act, 1892." Coming, then, to the optional system of our present Act—namely, Part III.—my attention has often been drawn by settlers to the difference in the respective residential and improvement conditions of the three tenures—namely, conditional cash, occupation with right of purchase, and lease in perpetuity—and if the law is to be changed it might well be considered in the direction of bringing them all on one plane. The nearer you get to buying for cash the conditions lighten, and the purely leasehold tenure is the hardest of all to comply with, whilst the man it is presumed to benefit is very likely the poorest of the three. It has struck me that an element of equality would be perhaps introduced if the occupation-with-right-of-purchase conditions in this respect were adopted for all. Coming, then, to the lease-in-perpetuity section of the 1892 Act, there is a considerable difference both as to the conditions and circumstances of how the different classes of our tenants have taken up their holdings under this particular tenure. For instance, we have—First, those selectors, who, when they took up their holdings, had the option (had they wished) of taking conditional cash, occupation with right of purchase, or lease in perpetuity, and elected to select the latter. Second, those again who from the first only had the option of selecting under lease in perpetuity. Third, those lease-in-perpetuity tenants who, having had special concessions made to them by the Land Boards, have never, or perhaps only partially, resided on their selections. Fourth, those who have had special concessions already granted to them of converting from a less favourable tenure, such as small grazing-runs or the

1885 Act village leases, to the 999-years tenure, and in this category are included those who, but for the conciliatory treatment of the Boards in the way of capitalisation of arrears of rent and advances for improvements, in addition to obtaining a sounder and cheaper tenure, would in all likelihood have lost their sections years ago. Fifth, and, lastly, those who are included in the above first and second classes, who, from the first to the last, have gone through all the hardships of pioneer back-block life, and have complied with all conditions to the very letter. The above, of course, do not refer to the lease-in-perpetuity holdings under the Land for Settlements Act. I may also mention that there is no doubt whatever in my mind that the dread of revaluation has done more to cause unrest in the minds of many of our Crown tenants, particularly within the last year or two, than anything else that has ever occurred. The Commission, I feel sure, will fully agree with me in this from what has transpired at almost every meeting held in the north. If confidence in this direction could be restored, and the tenures stripped of some of their present encumbrances, my opinion is that the discontent thus occasioned would soon be a thing of the past. What I mean as encumbrances are that, as years roll on the genuine tenant's position every day gets stronger, and the conditions of his lease probably have been complied with five-fold, he might well be freed from all restrictions or control of the Land Board, except under proper precautions for the payment of rent, and the prevention of disposing of his section to any one who already holds too much land. In these suggestions you will understand that I am referring particularly to ordinary Crown land tenants, and not to land for settlements, but eventually as the interest of the tenant increases over that of the State the same rule will apply, but, of course, in a lesser degree. Coming on to the small-grazing-run tenure we have only nine here holding land under this system, and its conditions generally are giving satisfaction. Respecting pastoral runs, these comprise forty-one holdings, with an area of 210,331 acres, and do not present any parallel with the conditions obtaining in the south under a similar tenure. In the Auckland District the runs comprise the very poorest of our lands, often in manuka scrub and fern, with indifferent soil and formation, and which to make reasonably reproductive often means a large expenditure. The tenure here is chiefly of service in the way of producing some sort of return for lands often otherwise valueless. Looking at it, therefore, from purely an Auckland standpoint, I see no necessity for any alteration. Respecting village settlement under the 1885 and 1892 Acts, the former being thirty-year leases, with the conditions of renewal of right to convert to lease in perpetuity under the 1892 Act, the areas being up to 50 acres: Those under the 1892 Act are simply lease-in-perpetuity holdings, limited to 100 acres, with assistance given by way of advances, &c., in order to help the settler in making a start. This class of tenure has often been condemned as a failure: but in this view I do not concur, if for nothing else than that in periods of depression it has been specially useful, relieving the cities when labour was congested, and giving employment, and generally uplifting those who otherwise would have been sorely pressed. I quite admit that possibly not more than 15 per cent. of those taking up land under these conditions are now in occupation. Many of the 85 per cent. balance, however, are to be found on larger holdings, or employed in various capacities, whilst their sons are probably either now found in the ranks of our other Crown tenants or employed in some way or other connected with land. In this way the system has done good service to the State, and if abolished it should only be for the reason that the necessary class of Crown land to make such settlement successful is not now obtainable. Practically the same remarks are applicable to the improved-farm settlement tenure. Both systems have been the means of putting many deserving persons on their feet who otherwise might have gone to the wall, and whilst it must also be admitted that in many instances the assistance given by the Government has been abused by many of those selected for the different settlements, full credit, however, should be given to those tenures if only as in the light of stepping-stones to a better class of settlement. The mining district land occupation, as also the Hauraki pastoral tenures, both of which have special application to mining districts, the object of each being to allow the lands to be used for settlement and grazing purposes, but in such a way that mining cannot be interfered with: Both tenures in their way are popular and useful. The length of lease is twenty-one years with renewal rights, and at present I have no alteration to suggest, although there are indications that a more permanent tenure, in some instances, is desired by selectors, such as 999-years lease. I would only favour this, however, in districts where absence of minerals makes it unnecessary to still keep the land under the Mining Acts. Coming to special settlement, you will see that eighty-four selectors still hold under these conditions, but the ordinary optional system is now largely taking the place of this class of tenure, and there is a likelihood of its gradually becoming less and less as time goes on. Homestead lands: Undoubtedly a great deal of most successful settlement, amounting in all to 76,096 acres in 464 sections, has taken place under these regulations, which, however, have long since been repealed. Their reintroduction within certain proclaimed limits with larger areas no doubt would help to settle our poorer lands. I do not, however, quite favour the idea of land being entirely given away free. The cost of survey would, as a matter of course, be deposited, which in itself would be evidence of good faith. In addition to this, say, 2s. 6d per acre, payable by instalments, extending over five years, and entirely spent on roads giving access to the holdings, might reasonably be charged, the first instalment to be paid at the end of the third year after selection. A great deal of the land will be of inferior quality, but its settlement would be an immense advantage to the northern districts generally. Other tenures, except lands for settlement, I hardly think call for special notice beyond what is given in the schedule, but I will gladly answer any question that might be asked respecting them. Lands for settlement: As indicated previously, this class of settlement in the north has not assumed the gigantic proportions like it has in the south. This doubtless is largely accounted for by the fact that here we still have considerable areas of Crown lands unselected and obtainable at much lower rates than it is possible to offer improved country for; still, there are 430 tenants on the books in occupation leasing 79,006 acres, with a gross rental of £12,767 17s. 7d. All the settlements may be classed as fairly prosperous, some of them especially so. In the neigh-

bourhood of Auckland, I regret to say, a number of the workmen's homes allotments have not been taken up as readily as might have been expected. The total area under the Act, as hamlets, amounts to 996 acres, whilst the area selected is 230 acres, leaving still on hand 766 acres. Regarding residential and other restrictions under the Land for Settlements Act, a good deal of complaint has come from settlers living on their original somewhat small holdings in districts where estates are being acquired, and subdivided on account of their being unable to acquire sufficient additional land for the reasonable maintenance of their families. Numbers of these would also like to be able to secure sections for their sons, so as to keep the families together in the one district with residence dispensed with until the young men get properly established. With this exception, tenants seem generally satisfied with their position and prospects, numbers of them apparently recognising that but for this opportunity they would hardly ever have been able to become possessed quickly of money-producing lands—not that I wish to infer that the estates in question would not have been otherwise taken up—but it would probably have tended to prevent those with limited means doing so. The cropping difficulty here is practically unknown. The great object of our settlers apparently is to get their holdings into permanent pasture, and keep it in that state as long as possible, generally for dairying or pasturing purposes. With respect to restrictions generally amongst our ordinary Crown lands tenants, the one regarding residence affects them most, and arises largely through indifferent access, want of schools, and even through lack of employment to supplement the maintenance of families during the earlier and harder years of settlement. The Auckland Land Board in such cases, so far as my experience goes, has never hesitated to postpone residence where good cause for so doing has been clearly shown. The first thing considered by the Board is the genuineness of the applicant. If this is assured the discretionary powers allowed by the Act are generally sufficient to meet the majority of cases. With a view, however, to give a further impetus to settlement in remote districts, I should, at any rate, like to see the spirit of the resolution given effect to which was passed at the recent conference of Land Boards held in Wellington. This was to the effect that under certain restrictions for the prevention of lumpyism and the aggregation of large estates, residence could be postponed for seven years in all forest and second-class land in the remoter districts of the colony. This would only be operated on within certain proclaimed blocks, and with the Minister's consent. The real object of this, of course, was to enable the people in cities to take up land either for themselves or for their sons, and be enabled to carry out all their improvements prior to taking up permanent residence. With reference to the working of the ballot system, many objections have been raised, and, although much criticized, so far as I know none of the objectors to the system have solved, to my mind, any better way of determining priority when two or more persons have equal rights to any given thing than the drawing of lots for it in some way or other. With respect to ordinary Crown lands, at present any one over seventeen years of age is eligible, provided the applicant does not hold already more land than the Land Act allows. I would suggest that in all cases there should be the power given to Boards to examine all applicants, and to reject from ballot all those that are undesirable, and that there should be no appeal from the Board's decision. I feel that the ballot as a ballot is perfectly fair, but greater power is needed to exclude from it those who are not genuine. The effect, I know, of such legislation would be that the offending class intended to be reached would never put in an appearance before the Board. I have in my mind two large land ballots held in this district since I came here: one for a lands-for-settlement ballot, where examination was necessary. In this not more than 2 per cent. were rejected. The other was for ordinary Crown lands without examination, and if there had been the power to do so probably 80 per cent. would have been thrown out. Under lands for settlements, applicants, so far as Auckland is concerned, the grouping of sections and the second ballot is strongly objected to, and even prevents good settlers from applying. I can understand, however, in the south, where the number of applications so far exceeds the number of sections being offered, that the grouping system might be applicable. I think, however, that for all ballots, if the principle of examination of applicants is upheld with the power to make regulations for special districts and cases, it would give satisfaction, and would be in keeping with the varying interests that govern the different land districts of the colony. Regarding loading for roads, the schedule put in shows loans raised for the different Crown lands blocks in the district, together with amounts spent, as also additional money spent outside of the different blocks. It will be seen that 112 blocks have been loaded with sums in aggregate amounting to £140,907. The spending of this money, however, is not under my control, but, so far as my knowledge goes, I have no grounds for thinking that it has not been spent to the best advantage; but the great trouble is, that even the money that it is possible to raise under the Loans to Local Bodies Act is at times insufficient to give complete access to every section. Again, with regard to "thirds," I feel that frequently the best use is not made of them, and I say this without reflecting in the slightest degree on local bodies, whom I know are often at their wits-end to know what to do with the small sums coming from these sources, and at the same time to give satisfaction to the settlers from whose sections the "thirds" were derived. The only remedy I can see for this, if the capitalisation of the "thirds" is not practicable, and cannot be added to the money set aside for the construction of roads, is that encouragement should be given to local bodies to raise loans within defined areas, pledging the "thirds" for the payment of interest. With reference to the working of the Advances to Settlers Act: Whilst in charge of the Taranaki district settlers there, at times, complained that some advances made were insufficient for their requirements and less than private money-lenders would advance, although the latter, of course, charged a heavier rate of interest. Since I have been in Auckland no such complaints have come under my notice. In fact, on the contrary, several settlers have told me that, with the exception of the delay in finally granting loans, matters in this respect are satisfactory. Coming to the general conditions of settlers under the various tenures, personally, I have not been long enough in this district to form an independent opinion. The reports of the different Crown Lands Rangers, all of whom your Commission have had an opportunity of examining, tend to show that

the Crown tenants as a body are making substantial headway. Many who started with nothing have now comfortable homes. Dairy factories are being established in the districts, where a few years back it was hardly thought it would be practicable to erect them. In the Auckland district there are many ways, independent of the return from his holding, that the settler during the earlier years is enabled to supplement his income from several sources that are not available in the southern districts of the colony, such as the timber, kauri-gum, and flax industries. These, in their way, although indirectly sometimes perhaps a drawback to permanent settlement, prove a great help to the struggling man at a time when assistance is most needed. Coming to the schedules, the first is a general *résumé* of tenures showing a *précis* of the conditions—information that I thought would be useful to the Commission. [*Vide Appendix.*] I think it will at a glance place before the Commission in a handy form a sort of digest of the whole of our tenures. Another return I give you is one showing the Crown land in every county, indicating what is now open and also that remaining unopened. [*Vide Appendix.*] Of these latter, as previously mentioned, 228,000 acres are being got ready, and about 150,000 acres of new land will, I hope, be put in the market this year. Another return is that giving our State forest areas. [*Vide Appendix.*] These also indirectly touch on settlement, because some of these, after the milling timbers have been cut out, will probably have the reservations removed, and will in due course be opened for settlement. The same remark applies to kauri-gum reserves, of which I give you similar details, because as soon as it becomes evident that it is no longer profitable to keep any one of these areas back for the purpose for which they were set aside, the reservations, after all reasonable precautions have been taken, are removed, and dealt with as ordinary Crown lands. [*Vide Appendix.*] As the question of Native lands generally has very often come before you in your northern tour, I am giving you a schedule showing for each county the land in Native hands that has passed the Court and the land unadjudicated. The gross areas amount to 3,539,775 acres and 540,735 acres respectively, the grand total being 4,080,510 acres. [*Vide Appendix.*] Another schedule is that of the roads opened under the Loans to Local Bodies Act. [*Vide Appendix.*] The total amount of loading is £140,907, which is spread over 112 blocks, and the sum of £62,121 8s. 1d., which has been expended out of special votes, in addition to the loading, to give access. The roads in the Auckland Land District are subdivided into three separate road districts, District Road Engineer Wright being in charge of the Auckland District, which extends to the North of Auckland and takes in a portion of the Waikato, &c. District Engineer Burd's district comprises the King-country and the other portion of the Waikato, and Captain Turner has control of the Rotorua, East Coast, and Thames districts.

ALFRED SANFORD examined.

2. *The Chairman.*] Do you hold land?—Yes. I have been a settler in the colony for forty years. I hold Rakino Island, comprising 360 acres of freehold land, acquired from the Maoris. I wish chiefly to give evidence on one or two points that have been raised by your inquiry. The only tenure I would support is lease in perpetuity, in that it is more free than the freehold. The day is past when a pure freehold can be allowed to any individual. I cannot get away from the fact that the lease in perpetuity is better than the freehold. The people are now protected from land getting too dear by making roads and railways through new lands, which when settled creates many forms of "spare value," on which our increasing prosperity depends, and of which our wealth is chiefly composed. Labour products do not represent a very large percentage of the "value" that we convey to London. There is more going in title deeds and other forms of securities than in wool, gold, and lamb, hence our prosperity. Ballot system: At its best this is a vile system of gambling, and unjust to all concerned. The State does not get full value for the land selected, and the would-be settler seldom or never gets the land most suitable for his requirements, even with cash to pay for it. The aggregation of estates: Land held by any one individual should be restricted in area, and more particularly in the amount of value held. The restriction of value is, in my opinion, far more important than area in aiming at a more equal distribution of wealth. Values of leaseholds now and at date of lease: The State in its wisdom may relax restrictions or abolish regulations which become obsolete with our increasing knowledge in regard to methods of cultivating and using land, but to give Crown tenants the freehold at less than its present value is a corrupt proposal that no honest politician could make. At the same time, if freehold is given at present value the money gained by the State would be so much less than the rich people would need to pay in taxation. It would not be likely to raise wages or the purchasing-power of the money. Still, it is not honest to make a present of what is practically money to any section of the community. Advances to settlers: It is doubtful if this measure is any permanent benefit to the colony. Interest is going to London—paid in produce at prices fixed by world-wide competition. A debt owing to residents in the colony, even at a much higher rate of interest, is not so severely felt, because the consumer who draws the interest is our exclusive customer, and the price of the produce he consumes is fixed by local competition, and being higher in sympathy with wages a lesser quantity of produce pays the interest at the higher rate. Too much borrowing and too little work is a great evil encouraged by the Act. The advances-to-settlers system, in saving 1 per cent. interest, has in the case of a local £500 mortgage on a farm saved the farmer a paltry £5 a year. The effect is that the local lender loses purchasing-power, and the London money-lenders have increased purchasing-power, and to that extent the farmer is brought into open competition with producers in foreign countries. He pays his interest in produce at London prices, and gives work to English ships and English people to distribute it, whereas if the self-reliant policy of Mr. Ballance had been carried on every acre of land opened up would have found employment for local capital at high rates of interest, and a high standard of living would have been maintained without getting into debt. The savings of the workers would be a much greater help if interest as well as wages were high. I believe myself that there should be at least one-fifth of the lands of the colony held as endowments, the freehold of which should never be parted with. You may get depressions at times, and then it is very hard to maintain the level of taxes, and it

would be very handy to have these endowments to fall back on. For instance, the unemployed difficulty could be met by putting the men to work on State farms. Again, hospitals and many other institutions could be maintained out of revenue directly derived from endowments. The advantage which a leaseholder has in times of depression is that he cannot mortgage it, which is a very good point. I think a great deal of my success in the world is due to the fact that my first land was held on lease, and I could not very well mortgage it. So far as unearned increment is concerned, is it unearned increment or the exchangeable value of the land? You can take the land, but you cannot take the unearned increment, unless you say to the freeholder, "Well, when you sell your land we mean to take all over what you paid for it." As you increase taxation and destroy land-value so you destroy the value on which you levy taxes. I am fully convinced that the taxation of land in any form tends to put it out of use. The freer you can have land the better. When there is no free land left in the world, my opinion is that civilisation will cease.

3. *Mr. Forbes.*] Have you been a farmer yourself?—Yes. Practically, when I went on to Rakino Island it was as God had left it, apart from the damage done to it by the Maoris, and I improved it and put it all into grass wholly by my own labour. I also had a bush farm up country, but I sold that place, because I believe there is very little in farming even at the present time, when you have to cut down the bush and contend with blackberries and other weeds. I believe the back-blocks settler deserves all the unearned increment he can get.

4. You said you do not altogether believe in the Advances to Settlers Act?—No.

5. Do you recognise the advances-to-settlers policy has had something to do with reducing the rate of interest to farmers, and has given the struggling settler a chance to improve his land?—I honestly believe it has.

6. Is that not a good thing?—No, it is wrong. It is an interference. If it has reduced the rate to the borrower it has also reduced the rate paid to the saver—namely, the worker. It has reduced his interest, which is a bad thing, because it is just the same as reducing wages.

7. Would you be in favour of handing the settler over again to the mercies of the money-lender without giving him any help from the State at all?—No; I am not in favour of making any such change at the present time, for the reason that the State in stepping in and guaranteeing the Bank of New Zealand must carry the thing through and guarantee everybody in the colony.

SAMUEL AUGUSTUS BROWNE examined.

8. *The Chairman.*] What are you?—I am a settler at Clevedon. I hold land under three tenures. I hold 310 acres of freehold, 136 acres of short leasehold, and 109 acres under lease in perpetuity.

9. Have you anything to bring before the Commission?—I wish to read the following statements: As father of the Farmers' Union and a Crown tenant, I give my evidence—(1) The constitution of Land Boards: Land Boards, I consider, should be elected—two-thirds by the Crown tenants and one-third by the general public through the Government. (2.) The land-tenures of the colony: The land-tenures of the colony are, in my opinion, unsatisfactory, the homestead and lease in perpetuity being the best. The so-called freehold is generally a greater burden to the farmer and colony than the long lease. I think the so-called "freehold" should be called the "mortgagehold." As far as I can see, that is what it is chiefly wanted for. The reason why the so-called freehold is bad is because it denudes the average person of his funds before he can become a farmer, and then he requires to mortgage to carry on, and is worse than any leaseholder, because he can only get short terms for his mortgage, and in bad times might be foreclosed on at a great loss to himself; and, anyway, at the end he has to pay back his mortgage before he can become owner of his improvements, whereas with the lease in perpetuity he has his capital left to him, and at the end gets compensated for his improvements. I consider that any one wanting Crown land should have the site of the farm given to him free, and be merely charged rates and taxes on the site value or unimproved value, and that he should have all his improvements free. (3.) Residence conditions on Crown tenants: These conditions often not only cause hardship, but deter persons settling on waste lands. I consider that all that is required is to limit the area—half a mile of first-class land, one mile of second-class, and two miles of third-class lands—and see that the rates and taxes are paid. (4.) Pressure of other restrictions: I consider all specific restrictions should be removed. Each person knows his own condition best, and if he does not do as well as he might—such is human nature; and, anyway, he is better there than on the Charitable Aid Board or gaol. (5.) Effects of climate, &c.: This is partly answered in the foregoing, and serves to emphasize the fact that rents and rates or taxes should be on site values only. (6.) Homestead privileges, &c.: I consider the homestead system requires a lot of amplification, although the base—that the waste lands should be settled—is a good one; also, that the farm-sites should be given to settlers. (7.) The working of the ballot system: I consider the ballot system altogether bad. "First come first served" should be the motto, and the first applicant for a section should get it without any delay. (8.) The practice of loading lands for roads is altogether bad, and should be abolished, and in its place special subsidy to waste lands rates, or, better still, a graduated subsidy, put in its place. (9.) The values of leaseholds now and at date of lease: The site values or unimproved values of land should never become the property of the occupier. They are not required by the farmer—only by the land-speculator to gamble in land, and such gambling is a distinct drawback and debar to good farming and causes mortgaging. Besides, gambling in land is the greatest of evils a country can have. The German Government prohibited gambling in breadstuffs, and on the same argument the material from which the breadstuffs are received should all the more be defended from gambling. (10.) Working of advances-to-settlers system: The advances to settlers, though it did some good, is cumbersome and antiquated, and very little better than any other mortgage, except that the State has more soul than the private money-lender, and can be got at better. What farmers want to give them abundance of cheap money is agricultural banks on the Raffeisen system, with or without State guarantee. (11.) Condition and

position of occupiers under the various tenures: As a Crown tenant under the lease-in-perpetuity system, and as a freeholder, I consider the lease in perpetuity better than the freehold, not only for myself, but for the country generally; and the only ones to complain are the money-lender and land-gambler. (12.) The aggregation of large estates: The aggregation of large estates should be prevented by special law and site-value taxation. (13.) Separate occupations, &c.: The best system of occupation I consider the lease in perpetuity, except that it should be revalued at the original lessee's death, or every twenty-five years, but not before he dies if he continues to hold it.

10. *Mr. McLennan.*] You believe in the lease in perpetuity, but you think the only drawback is that there is no revaluation. Would you be in favour of revaluing the present leases on the death of the lessee?—Not the present leases. I hold that a bargain is a bargain, and should be adhered to. If it is proposed to amend the present leases, then I think the present lessees should be fully compensated.

11. *Mr. Forbes.*] You state you are the father of the Farmers' Union?—I consider I am. Mr. Glass said that it was my action in trying to stir the farmers into unity that started him going.

12. The opinions of the Farmers' Union have altered since you commenced it?—They have altered.

13. Are the views you express now the views of the Farmers' Union?—They may not be the views of all of them, but I believe they are the views of a great number of farmers.

14. Is there not an official platform laid down by the union?—Yes.

15. The views you express are different from those contained in the platform?—I know they are. I do not hold with the official platform.

16. You state you do not believe in the ballot system; and you think that "first come first served" would be a better principle?—Yes.

17. How would it work where there were forty applicants for one section?—There would be forty letters, and you cannot open forty letters at once, and I would give the applicant whose letter was first opened the section he applied for.

18. Would there not be a chance of a particular letter being pushed towards you?—Not if you have honest officials. If you have dishonest officials to deal with you cannot help yourself.

19. Would you stir all the letters up in a heap?—Not of necessity. They would be tumbled out in a heap, and no one knows what is in a letter until it is opened.

20. Does not the element of the ballot come in again?—Yes, you can call it balloting if you like; but there is no waiting in connection with that, which is the great fault of the present ballot system. Again, an applicant would get the section he wanted.

21. Do you think that the men who go into the ballot have to put up with a great deal of delay?—I have heard it is so. I have had no experience of a ballot except what I have read in the papers.

22. We have had a good deal of evidence from Crown tenants, but they have never complained that the ballot system means delay?—I know the tenants my way who went in for the ballot grumble about the delay.

23. Would you apply your system also to the Land for Settlements Act, where there are sometimes as many as a hundred applicants for a section?—Yes.

24. You say you think it necessary to reintroduce the homestead system to settle the lands of the colony?—It would be better than the present system.

25. Do you not think that there are men able and willing to pay for the land if it is opened up?—Lots might be, but there are lots who are not.

26. Under the homestead system you would give away a certain amount of land for nothing?—Not for nothing, because the State gets the benefit by the increased population.

27. *Mr. Matheson.*] You said the freehold is a burden to colonists because they mortgage heavily: do you not think leasehold is mortgaged just as heavily?—They cannot mortgage as heavily in proportion.

28. Under the Advances to Settlers Act the State will advance 50 per cent. of the value over and above the upset value to the tenant, and is that not just as heavy in proportion as any freeholder can mortgage?—It cannot be.

29. In saying that the lease in perpetuity suited you best, would it suit you best if it was revalued every twenty years?—I do not say every twenty years. It would be more equitable to me, and more satisfactory to me as a lease-in-perpetuity holder, to know that I was doing a fair thing by the country. But, as I said before, I do not believe in the lease business at all, but as we have the lease-in-perpetuity system I think it is the best.

30. If you do not believe in the lease system, and you think the freehold is bad, what tenure do you suggest?—I would give the people the land. If there is any Crown land lying idle I would give it to the person who would improve it and make use of it.

31. Would you propose giving the improved estates that are purchased for closer settlement to anybody who would go and live on them?—I should.

32. You would give the land to the applicant whose letter was opened first?—I should. You might think the State was losing something, but the State is losing nothing if the people are waiting to go on the land.

33. *Mr. McCardle.*] How would your system of revaluation apply in the backblocks, where, perhaps, the settler has been as many miles back as the period you name without access to roads for perhaps close on twenty-five years?—I think under fair and honest revaluation his unimproved value should not be increased.

34. We have had ample evidence given us that the valuation placed on the holding by the Ranger and the valuation allowed by the Government Valuers do not approach more than one-half of the actual improvements put on the property. If that is a sound system of valuation, and if at the end of twenty-five years that land is worth £5 per acre and the improvements are only valued at £2 10s. per acre, who is going to get the £2 10s. not included in the improvements?—I think all the improvements should belong to the man who puts them there.

35. If the land is sold at £5 per acre, and the settler is only credited by the Lands Department with £2 10s. for improvements, then there is a discrepancy of £2 10s. between the prairie value and the improved value, although the settler has spent that amount on improvements?—I do not think that would be fair, and I do not think that would work out at all.

36. You have seen dairy factories established?—Yes.

37. The settlers tax themselves, and these factories raise the value of the land, although that value is not shown on the surface of the soil: is that not so?—They raise the value of the improvements, but they do not necessarily raise the value of the land.

ROBERT NESBIT SMITH examined.

38. *The Chairman.*] Are you a landholder?—I am. I hold 500 acres of freehold and about 150 acres of leasehold in the Thames district. I am a freeholder, and I think it is the desire of every one to possess some freehold, however small—some place they can call their own. I consider it to be better for the State and better for the people that they should have freeholds. The best way to nationalise the land is to apportion that land to the people of the nation who are desirous of obtaining and can work it, and it is the duty of the Government to assist those people in securing the freehold, so that they shall have vested interests in their nation, and have hearths and homes to defend in case of need. As to unearned increment, I contend there is no such thing as unearned increment, especially in rural lands. As to lands contiguous to large towns, if an increased value is created by the people it was by no effort on their part, hence it would be a very dangerous precedent to admit the claims of labour unions to a share in that in which no effort of theirs has helped to produce. I claim that they get their share weekly in increased work and better wages. The system of preventing any dealing in Native lands has greatly retarded the prosperity of this county. It has taken from the Natives the selling-value of their lands, and it has prevented many people from settling on land who otherwise would, but who prefer to remain landless rather than become a tenant of the Maoris, and I commend their spirit. I think it would be rather a retrograde spirit to see a lot of Britishers subject to and tenants under the Native race. Even the majority of the Maoris are not in favour of these Maori Councils, and would prefer to deal with their own in their own way.

39. *Mr. Matheson.*] Do you think there is any unearned increment in the cities?—It is a very moot point.

40. *The Chairman.*] Do you consider that the pioneer settler who reclaimed the waste lands of the colony is entitled to the products of his labour?—Decidedly.

41. If there is any unearned increment, you think he has earned it?—Yes.

DONALD MCKINNON examined.

42. *The Chairman.*] Do you hold land?—Yes. I and my brother hold 3,300 acres of freehold in the Waikato district.

43. Is there any matter you wish to speak on?—I think I have had as much experience as most men farming. I have been farming thirty-six years. I had a leasehold and a freehold in the south. I had 640 acres under Board of Education lease and 300 acres of freehold near Waimate. I have been farming in the Waikato for the last twenty-seven years. Part of my property there I took from the Crown under lease with the right of purchase. I believe in the Advances to Settlers Act for it gave me a chance of making that part of my land freehold, and in more ways than one I find it is giving help to some of my neighbours when it was hard for them to get the money otherwise. I believe in the freehold, and I found it paid me better than leasehold in my first start in life. I think for a man with capital and experience there is nothing more profitable than the land as an investment. I took up some swamp land and paid £2 per acre for it, but some of it cost me £20 per acre to drain and stump. Still, I am satisfied, because it has paid me interest on the money I spent on it. If it had been leasehold I do not think I would have gone to the expense I did. I think any man who has land will always wish to make it freehold some day. I believe in the Government giving a lease with a right of purchase. I believe always in giving the option of the tenure to the settler.

44. *Mr. Forbes.*] You say you spent up to £20 in stumping and draining land, and that you would not have undertaken that expenditure if the land had been leasehold?—That is so.

45. If the Government are leasing swamp lands such as yours, do you not think it would be better that they should drain them properly before putting settlers on it?—I think that is the right way, because the Government have the money to do the work properly.

46. There is a great deal of swamp land in the Auckland province still in the hands of the Crown: do you not think that policy should be carried out in regard to it?—I consider it would be a very wise policy for the Government to adopt.

47. Do you not think that a lease for 999 years gives as great a fixity of tenure as freehold?—I would not feel anything like as secure in my own mind.

48. Do you think the freehold is for a longer term than 999 years?—The freehold is yours for your life-time; but, still, you like to say, "I have a freehold, and I can leave it to whom I like."

49. You have the same right of leaving the lease in perpetuity?—Yes; but if you want to sell out I know you cannot get the same value for the leasehold as for the freehold. I had an experience of that in the south. I got five times as much out of the freehold as I did out of the leasehold.

50. But, then, you had a short lease?—It was for twenty-one years, with the right of renewal at a valuation.

51. Is there not a difference between leases for twenty-one years and 999 years?—Certainly, I will admit there is.

52. *Mr. Matheson.*] Do you consider the city people in New Zealand have an interest in the disposal of our Crown lands?—I do not see that the city people have much interest in the Crown lands. I think the city people have their businesses to look after.

53. Do you consider the prosperity of the cities depends on the prosperity of the country?—Undoubtedly.

54. Then, have they not a very clear interest in the way these country lands are disposed of?—They do not take the interest in the matter that they ought to.

55. Do you think if the State gave all its Crown tenants the right of purchase that that would be in the interests of the country and city people alike?—I expect it would, but the townspeople have not the same interest in the matter as those on the land. I consider the right thing to do is to give every man the option of taking up the land on whatever tenure he likes.

56. Do you think the man who has the option of the freehold makes the best settler?—I do.

57. *Mr. McCardle.*] If the Government are prepared to grant the freehold to the tenants already on the land, on what conditions do you think it ought to be granted?—I think if they are getting the land at lower than the ordinary rate of interest they should pay up the difference in the interest, and then they should have the land at the value at which they took it up.

58. You are aware that these leases are for 999 years: do you think the State would be a gainer if this 1 per cent. difference was paid up?—I think so. And I think they ought to pay interest on that 1 per cent.

59. What is your opinion about the homestead system?—I have had nothing to do with it, but I think if you are going to give land to people you ought to give them good land, and not poor land.

60. Have you had any experience of the lands under the Land for Settlements Act?—No, but I understand the principle of the Act.

61. The Government buy these improved estates, and the settlers who take them up are able to make a profit out of the land right away: if the right of purchase were extended to these settlers, on what condition should they get it?—I would have them pay the usual interest for it, and then let them have the land at the price the Government gave for it in the first place.

62. *Mr. McLennan.*] Are you acquainted with Canterbury?—Yes; I was there for fifteen years.

63. Can you say whether the settlements on the various estates purchased in Canterbury are successful?—They are.

64. You know the Waikakahi Estate?—As well as I know my own farm.

65. Can you say whether the settlers there and on Teschmaker's estate are successful?—I should say they are, from what I hear from friends passing up and down.

66. What rent did men pay for land at Waimate in your day for cropping?—I have seen them pay as high as £2 10s. per acre for turnips. I paid £1 5s. myself for 600-odd acres.

67. Do you think it advisable to give the option of purchase to the Waikakahi and Teschmaker's estates tenants at the original capital value?—I think the State ought to give it to them. Of course, I believe it is more profitable to the State to place them as Crown tenants on such lands as these.

68. Do you think it is to the benefit of the State to hold them as they are?—Yes; but I think it is to the benefit of the tenants to let them have the freehold.

JAMES WALLACE examined.

69. *The Chairman.*] Do you hold land?—I had for six years a farm over at Lake Takapuna. The area was 30 acres, and until lately I had a cattle farm of 500 acres. They were both freehold.

70. Is there anything you wish to bring before the Commission?—I want to enter my protest against the system of leasehold in operation under the present Government, and to speak in favour of what has been the great civilisation agent of nations—namely, the freehold. I object to the present leasehold system on the ground that the object of the Government is to make the State the sole owner of all the land in the colony, and then to grab the rent and make that the revenue of the colony.

71. I would ask you not to import anything political into your evidence, and to make it as brief as possible as we are limited to time?—I should like to go into the question fully, but I will content myself with saying I am in favour of the freehold, and against the leasehold as carried on by the present Government. The leasehold has been tried in all ages and by all nations, and it has ever been found a failure. Among other countries it proved the ruin of India. In biblical times it was introduced by Joseph, who was a good man but a bad statesman. You will remember that there were seven years of rich crops and seven years of famine, and Joseph deprived the people of Egypt of their freehold, and made Pharaoh and the Egyptians the sole owners of the land, and from that day to this—three or four thousand years—Egypt has been an object-lesson with regard to land-tenure. The leasehold has been a failure everywhere. The sole ownership of the land by the State would be the most mischievous and unfair system that could be devised. It would throw the whole of the taxation upon one section of the community—that is, the agricultural population—and that is what we are promised is to be done. All fair taxation must be according to means and ability to contribute, and must be based upon equality of sacrifice. The whole of the property of the United Kingdom amounts to ten billions, of which the land yields two billions; and if the State becomes the sole owner of the land, what is the result?—that eight billions of the property in the United Kingdom is exempted from taxation, and the whole of the taxation is thrown upon the two billions. Again, if you take the income of the United Kingdom, you will find it amounts to about £1,400,000,000, the income from the land being about £200,000,000; and if you throw the whole of the taxation upon the land, which appears to be the object of the great Liberal party, then there is £1,200,000,000 of the income of the United Kingdom untaxed,

and £200,000,000—a sixth part—has to bear the whole of the taxation. To give another illustration: There are in the United Kingdom about seven millions of agricultural population, the whole population being about forty-three millions. Therefore, if this State ownership system is to be brought into operation, the whole of the taxation will be thrown upon seven million people, and you exempt all the rich men who are not landowners from any taxation whatever. The system would have exactly the same effect here, and it would be the means of destroying all constitutional Government, in this way: it would mean that the Government would be no more dependent upon the annual votes of Parliament for their supplies, because they would be drawing every year the whole of these rents from the land, and you would make them independent of the people together. The Government would then be able to remain in power, and defy the people, and so constitutional Government. With regard to the freehold tenure, I approve of that, because it has been adopted by all civilised nations. Freehold has made America the great power it is to-day. Freehold has made Great Britain and other civilised nations what they are, and yet we, the people of New Zealand, are going to endeavour to abolish freehold and make the State the sole owner of the land. It is neither prudent nor wise. Again, I believe every one should have the right to the fruit of his own labour. This unearned increment is a delusion. An owner of land has the same right to his land and what it produces as the city man has to the profits he makes out of his merchandise, or the workman what he earns in wages. It is the fruit of his own effort, and upon that ground I defend the freehold. Then, there is another thing: the freehold is a means of developing a race. Without the freehold you will be keeping back the population of New Zealand. Men will not come to this colony unless there is a prospect of getting a piece of land they can call their own. I myself came to this colony, as every other settler has done, in order to get the freehold, and now legislation is trying to take it away from us. Then, again, the freehold is the greatest incentive to industry. You have no doubt heard the words of the great traveller, Arthur Young, who said, "If you give a man a rock which is absolutely his own property he will convert that rock into his own garden." It has also been said by a great statesman that if you give a man an acre of land which he holds as his own property, that man has a gun in his cottage and that gun is all ready to defend his country. Those were the words of a great French Premier. The English system seems to be, on the whole, the very best that can be adopted, and no Government holding land could discharge equally well the duties that are now discharged by the landed proprietors in the Old Country. Then, remember that the landowners at Home will do a great deal more for their tenants than it is possible for any General Government to do with theirs. The Earl of Aberdeen and other landowners build most of the houses, and do most of the drainage. They pay the road rates, provide for the schoolmasters' salaries so that education is very cheap in Scotland, and they also contribute to the support of religion. Those are benefits which, although I am not saying the State should undertake them, the State could never give if the State ownership of land became the ruling system of this colony. We hear about advances to settlers by the Government. Are you aware that the landowners of England, much as they are abused, lend money to their tenants at 3 per cent., and the Duke of Bedford has let his land as low as 1-per-cent. rental on the capital value? No State could do that.

72. *Mr. McLennan.*] You say the land-proprietors of Scotland have done more for their tenants than the New Zealand Government?—More than the New Zealand Government can possibly do.

73. Are you aware that many tenants have been evicted at different times and in different places in Scotland?—Yes; I am aware there are sinners in Scotland as well as anywhere else.

74. Have you known of any large number of tenants being evicted in New Zealand?—I have known the people being evicted from their houses in New Zealand, and if the Government does not get its rents regularly it must evict its tenants.

75. *Mr. Forbes.*] Have you had any experience of the operations of the Government in settling acquired estates?—No.

76. Then, you cannot speak from your own experience of what the Government have done in the South Island?—No, but I base my arguments upon pure science and upon the history of the world.

77. You have gone a good deal into ancient history: are not the people to-day a little more enlightened?—All the civilised nations of the world have adopted freehold, and I regard the freehold as a sort of thermometer by which you can gauge the different stages of civilisation.

78. Has not New Zealand struck out for herself a new course in other matters besides the land laws?—I do not look upon the people who brag that they are the great Liberal party as being advanced at all. I believe they are going backwards.

79. You quoted from some one who said that if you gave a man a piece of rock it would soon be a garden: we have travelled through a good deal of poor land in the north which is freehold, but we cannot find that the freeholders there have converted it into a garden?—What they want is roads. While the Government have been spending millions of money in the south Auckland has been neglected, and many of the people can do nothing with their land for want of roads.

80. *Mr. Matheson.*] Do you think it would be a bad thing for the colony if one section of the community had to pay all the taxation of the colony?—Yes, it would be most mischievous and unfair.

81. Is your objection to our 999-years lease that you think it is a step towards putting the whole of the taxation of the colony on one class?—Yes, that is the principal objection.

82. *Mr. McCardle.*] Do you think that there should be large landed proprietors in New Zealand?—No; I think the law might be improved in that direction. I believe it would be better to have the land settled in small holdings.

83. Would you be prepared to restrict the amount any one man could hold in fee-simple?—My ideas are in that direction, but it is a wide question to deal with.

JAMES GILLIES RUTHERFORD examined.

84. *The Chairman.*] Are you a landholder?—Yes; I have 884 acres of freehold.

84A. Is there anything you wish to bring before the Commission?—With your permission I would like to make the following statement: I am in favour of the freehold, and also that it should be optional for selectors to take up land either for cash, occupation with right of purchase, or lease in perpetuity. I consider lease in perpetuity is a most unsatisfactory contract for the State. The lands pass out of the hands of the Government for 999 years at a low rental, without any revaluation, and the New Zealand Government is not even the landlord, for in that respect we are very little better off than Ireland, whose trouble has been her absentee landlords. Our landlords are the English capitalists, who have advanced the money to purchase estates for closer settlement; our Government merely collect the rents and remit them to the English capitalist as interest on the money borrowed. They get the rents, and the State does not even get land-tax from these leases, nor any increase of rent for 999 years. This lease in perpetuity is also an unsatisfactory arrangement for the tenant. He does not feel that he has any security of tenure. The first land sale was held at Auckland in 1841; the land was sold by auction by the Imperial Government, and Crown grants issued by the Queen. An Act has been passed about ten or twelve years since by our Parliament nullifying these Crown grants, and empowering them to take any lands over 1,000 acres for closer settlement in defiance of the owner. If that can be done with a title granted by the Imperial Government, what can lease-in-perpetuity tenants hope for from a lease granted by the New Zealand Government? The proposed Fair Rent Bill would upset their leases and increase their rents. The Trades and Labour Council take every opportunity to advocate the revaluation of all leases, and we have the case of the tenant at Ohakea, brought before Parliament by Mr. Vile, member for Manawatu, during the debate on the Land Board Bill, where he showed that this tenant was threatened with eviction because he was 1s. in arrears with his rent. It was really neglect to add exchange 1s. when sending on cheque for his rent. I do not think any person believes for one moment that these leases have the ghost of a show to run for 999 years on their present conditions. The people I find who principally approve of these leases are single-taxers and land-nationalisers. The only reason I can see for their approval is that they see an easy way of having these leases revalued and the rents increased. I think the occupation with right of purchase a very good system. I do not see why a man, when he has completed the necessary improvements required, should not at once get his title, nor do I see why he should pay $\frac{1}{2}$ per cent. more rent than a lease-in-perpetuity tenant. The Homestead Act worked very well; it was a good system on which any poor man could take up a piece of land. We have had several liberal land laws in this province. The 40-acre system under the Provincial Government, when every person over the age of twenty-one years on arrival from Great Britain was entitled to 40 acres of land. A lot of well-to-do settlers arrived under that Act, and, unfortunately for them and for the province, they were in many cases allotted miserably poor land, and, after spending their all upon it, had to throw up their holdings and turn their hands to something else. Then we had the Waikato military settlers (50 acres and a town acre). Wherever they were placed on good land they have been most successful and useful settlers. Of course, many of them only joined the Waikato regiments for the love of adventure or the pay, and these very soon moved off. About 1864 we also had 10-acre settlers from Great Britain and 5-acre settlers from South Africa. Their holdings were altogether too small, and some of them were placed on poor land. They had hard times for a number of years, but most of them have made successful settlers, and own good farms in the surrounding districts. We also had the military settlements of Onehunga, Otahuhu, Panmure, and Howick. In Canada the Government are giving grants of land free to new arrivals who are prepared to take up land and settle on it. Thousands are arriving monthly to take advantage of these liberal land laws. The ballot is a most unsatisfactory method of disposing of our lands. A *bonâ fide* settler who really intends to improve and settle on the land may apply for sections time after time and not succeed in drawing any. He has all the expense of inspecting the various blocks that are thrown open, then, waiting for the ballot, only to find he has to start all over again when the next block is opened, often with the same result, his loss of time and his expenses mounting up in the meantime. I consider the constitution of the Land Boards and Assessment Courts should be altered. Their constitution is something like an arbitration case in which one side appoints the two arbitrators and the referee. The parties most closely affected should in all fairness have the privilege of appointing a representative on both the Land Board and the Assessment Court. I do not see that there is any great danger of the aggregation of large estates, as long as the law as at present prevents the owner of 640 acres of first-class land, and so on for second- and third-class, procuring any land at Government ballots. If he purchases from private individuals the Government can then take the best of his land under the plea that it is required for closer settlement. But we find that large holders are frequently cutting up their blocks and offering them for sale. In other cases blocks are subdivided amongst the heirs on the death of the late owner. It does not appear to me that the tendency is towards the aggregation of large estates. I believe that if the Maoris were allowed to sell or lease their lands on the same terms—namely, 640 acres of first-class land, or 1,000 or 2,000 of second-, and larger areas of third-class, after reserving sufficient for their own use—we would soon have the greater part of the Native lands settled, and we would find that there was not the slightest necessity to purchase lands for closer settlement in this province, while we have hundreds of thousands of acres of Government and Native lands superior in quality to land we have been purchasing for that purpose. These lands are lying idle, and, in many cases, assisting the spread of noxious weeds, whereas the estates purchased were paying a considerable amount in land-tax and employing a fair amount of labour. I would be in favour of the Government lands being settled before we purchased estates in this province. So far as my district is concerned, there is no unearned increment. I have a farm of 884 acres freehold. Thirty years ago I was offered £8 per acre for it. I have since felled bush, stumped, ploughed, fenced, and sub-

divided it, and I have offered it recently at £10 per acre, and so far have failed to find a purchaser, and the improvements could not be effected for the money the estate would now realise. During this time the railway has been constructed, and there is one station within two miles and another five miles, eight trains passing each way daily; also a regular 'bus service, several creameries, one about a mile and another adjoining the property. The land is volcanic, fairly good, and level. I might say in proof of this that I have threshed out 75 bushels of oats to the acre, and sold 4 tons of oaten chaff per acre, in both cases without any artificial manure. I have also had 18 tons of potatoes per acre with 6 cwt. of artificial manure. Over three-quarters of the total exports of this colony is the product of the land. The land-users pay both direct and indirect taxation. They pay land-tax, county, and Road Board rates, hospital and charitable-aid rates, export dues, and their share of import dues and Customs, and contribute a large proportion of the railway revenue. I think the people who are doing so much to promote the prosperity of the colony should have more say in fixing the tenure under which they hold their farms. Many of the farmers in my district during the Maori war fought to protect their homesteads—they turned the Pukekohe Church into a blockhouse, and held the position against the attack of several hundred Maoris. This blockhouse was on a portion of my farm. I need hardly say these men were not leaseholders. They were fighting for their freeholds, and it would be a gross breach of faith to confiscate their property now which they virtually acquired for this nation at the risk of their lives, and from what I know of them and from opinions I have heard them express they are quite prepared to go to any extreme to protect their homes. I have myself farmed in this district when it was necessary that each man should have his rifle and ammunition within easy reach, and one man posted as sentry.

85. *Mr. Forbes.*] You say you do not believe in the ballot system: what alternative would you suggest when there are a number of applicants for one section?—I do not think it is fair to call upon me to make any suggestion, but I might say that I think even the auction system is better than the ballot. I think, as we have thousands of acres of Crown and Native lands, those lands should be opened up while there is a demand and in sufficient quantities to satisfy that demand.

86. It has struck us that settlers in many cases have been placed out on these back blocks before the Government was in a position to road the land: do you think the Government should make provision to properly road the land before opening it up?—Yes; I think the main roads, at any rate, should be made, and they should be made a first charge against the land.

87. You think the Government would have no difficulty in finding the money to road lands before settlement?—The Government are able to borrow for other purposes, and surely they can borrow for the purpose of opening up land. They could make it a first charge against the land.

88. Do you think it would be a good thing for settlement?—I think it would be a good thing for the settler.

ADAM KELLY examined.

89. *The Chairman.*] Do you hold land?—I am a freeholder, and a leaseholder under the Auckland Corporation. I hold 40 acres of freehold at Waitakerei, and I pay about £200 per year for the leasehold, part for the Corporation endowment and part for the Crown.

90. Is there anything further that you wish to say?—As to the composition of the Land Board, I think half the members should be elected and half appointed by the Government. I have had some very sad experiences of men being elected by the popular vote, because very often they are elected on account of their popularity rather than their qualifications. Next, as to the conditions and restrictions: I am opposed to all conditions and restrictions except those that are necessary to prevent dummyism. I have been a farmer and a pioneer for forty years, and I do not think I would accept land as a gift if I were dictated to as to how I would manage it. The cropping restrictions are simply preposterous. If a man knows his business at all he knows much better than the Government how to farm his land. I want absolute freedom in cropping and in the management of farms. Another thing which I have advocated for many years is that free selection before survey should be allowed on the gumfields. I know that part of the colony very well, having resided there for six years, and I can say that there is only a little land here and there which would give a return for labour. I think that the residents should have the right of selection under the usual conditions. In Victoria if you are making a selection abutting on a creek you take two-thirds of back country and one-third of frontage, and the Crown reserves the right of making roads for thirty years. I think that the gum-diggers should have an opportunity of making homes for themselves. I do not consider that grouping people together on rather poor land is at all a good thing. In the olden days, when land was more plentiful, to have a back run was a great advantage to the settler. The 999-years lease without revaluation is a thing I cannot understand at all. One thing which I think is largely responsible for the prejudice against the leasehold from the Government is the insecurity of tenure. I demand perfect security of tenure for the man who takes up Crown land. There is no revaluation, so that if a man wished to secure the freehold after twenty-five years it would be as well to let him have it. He would then come under the land-tax, and it should be at the value of the later date when he acquired the land. A great many people seem to think that there is no difference between the profit from land going into the public purse and its going into a private pocket. The difference is simply that of State ownership *versus* private ownership, and I distinctly prefer State ownership. In Australia I have had experience of State ownership, and a better and more generous landlord than the State I do not wish to be under. I defy any one to show an instance in the whole of Australia where an eviction has taken place when a man has through drought or other adverse circumstances been unable to pay his rent. My brother has been Chairman of the Agricultural Bureau of one of the other colonies for fifteen years, and I am in regular communication with him. After the back blocks had suffered from drought for four years a Commission was sent to inquire into the condition of the settlers. As a result the leases were called in and issued anew at 1d. and ½d. per acre. In the following season

the farmers had returns to the extent of 25 bushels per acre. If that had happened under a private owner the tenants would have been sold up in order to pay the back rent. I distinctly say that State ownership is infinitely preferable to private landlordism. In the *Auckland Herald* a short time ago there appeared a series of articles on the state of the slums in Auckland, showing that their condition, on account of congestion of population, was such as to conduce neither to health nor morality. If such slums existed under State ownership would it not form a crushing indictment of the system? Possibly the State would be asked to buy out that slum property in order to give the people room, just as it has been asked to buy up big freeholds for closer settlement. Private ownership complicates the problem of settling these social questions, and the land problem is a social question. A great deal is being said about the poor settler in the back blocks, and the hardships which he has to undergo. I know them only too well, seeing that I have been a home-stead settler myself, and under such circumstances that when I have been asked for a dinner all I had to offer was potatoes and a cup of tea. But I would ask, why are settlers living under such conditions? They are driven to the back blocks on account of land-speculation. If those results could be attributed to State ownership it would be a crushing indictment. Then, if a man gives too much for his land, either by way of purchase or in rent, it means sweating. Did not the British Government have to come between the rack-rented tenants in Ireland and their landlords, and was not the process similar in the case of the Scottish crofters? I believe that land-sweating, or sweating through the high prices of land, is worse than all other forms of sweating—in fact, it produces other forms of sweating. Then, as to land-booms: have we not know land-booms to bring banks to the verge of bankruptcy? Had not the Bank of New Zealand to rush to the arms of the Government to save itself from bankruptcy? And have not thousands of people been brought almost to destitution through land-booms? Could any one imagine these land-booms existing under State ownership? I could not. If these booms are the result of private ownership in land, then it must be admitted that private ownership is an evil. Yet people who profess to be anxious to do much for humanity want to give Crown tenants the right of purchase, so that we should gradually come to a condition of things when there would be no State property whatever. Then we should have reproduced the state of things that exists in the Old Country and America. These are my reasons for upholding State ownership of land, and my objections to private ownership.

91. *Mr. Matheson.*] Do you hope for a time when all the land-occupiers in New Zealand will be tenants of the Crown?—I would like it.

92. Would you, then, think it wise that all the revenue of the colony should be gathered in the shape of rent?—Yes; but I wish to say that under freehold conditions, where you have the right to tax the unimproved value of land, as at present, it amounts to the same thing. I think that by increasing the number of private owners you increase the number of persons whose interests and the interests of the community cannot be reconciled.

93. Then, I understand your aim is that the whole of the taxation of the colony should come direct from the land?—Yes.

94. And that the only question in your mind is whether to get it by increasing the land-tax or by resuming all the lands and leasing them?—I prefer the system of gradually taking the unearned increment by taxation, but it is a complicated question.

95. Have you had any experience of producing an income from rough lands or from improved lands?—I was manager of two estates in New Zealand, but I have never had a small farm.

96. Suppose the whole of the farmers of New Zealand suddenly found their rent doubled, do you think they could pay their way?—No, because that would be sweating.

97. Do you realise that if the whole of the taxation were put upon the country people the rents they pay would have to be doubled?—No, I do not realise that.

98. *Mr. McCardle.*] Do you think that the holding of the freehold is the only system that raises the price of land?—It has most to do with it.

99. Would you be surprised to find that there has been a much greater rise in the value of leaseholds during the last five years than in the value of freeholds?—It would depend on the quality of the land.

100. Is not that begging the question?—I must explain that I recognise no land-value in the case of rural lands except what the land will produce and the facilities for getting the produce to market. For three or four years I tried to get a farm, but owing to the prospective value I could not do so. When I raised an objection to the price asked, the vendor said, "So-and-so has bought that land, and some public work is to be done in the district which is going to double its price." That is the kind of increase I object to.

101. The Government have come to the rescue, and purchased estates which stood between the centres and the back blocks. All these lands have been settled, and these are the lands particularly increased in value. You spoke of the slums: have you taken any steps to put forward the scheme which would enable the workers of the city to be established in comfortable homes under reasonable conditions?—I know what has been done beyond Avondale. The land there is too poor. If you get land that will produce anything it will be taken up, whether there is a purchasing clause or not. I think the Government have been very badly advised in the purchase of that land.

102. Is it not the duty of the Government to provide suburban lands where working-men can establish homes?—Yes.

103. Do you think that the State would run the slightest risk under such a scheme?—No; but it is difficult to find land that can be bought at reasonable prices near the facilities of communication. If land had been purchased such as that around the Three Kings, every bit of it would have been taken up straight away. By and by the trams will run to that district, and we shall see what the land is worth.

104. *The Chairman.*] Do you think that under the conditions of land-tenure which you advocate you would get pioneers to go into the back country and reclaim the waste lands?—Distinctly so, if they were practical men.

105. Do you think men would go back and take up waste lands under the conditions of tenure you advocate?—Most intelligent people do not care, so long as they make a profit, whether the tenure is leasehold or freehold.

106. Do you think that the users of land should be the only taxpayers in the country? I think that all revenue should be derived from the land.

107. *Mr. McCardle.*] What would become of all the industries that have been established in the colony if you were suddenly to bring about such a change as that?—You could not bring it in suddenly.

108. Would you not gradually crush out the many industries which have been established through a tariff which favoured those industries?—I think the conditions would adjust themselves. Indirect taxation is the poor man's income-tax, and the poorer he is the more in proportion he is relieved. If you take *pro rata* what is paid in indirect taxation, those with 50 acres and under pay about 13s. an acre. Of course, if the indirect taxation were not remitted as we increase the land-tax it would be a downright hardship, but I believe the conditions would adjust themselves—as one tax increased the other would diminish.

109. *The Chairman.*] Then, you believe in a process of gradually bleeding the settler to death?—I do not believe in bleeding him at all.

SAMUEL HODGE examined.

110. *The Chairman.*] What land do you hold?—Nearly 500 acres at Papatoitoti—333 freehold, and the balance on lease from a private owner, with right of purchase.

111. Is there any matter that you wish to bring forward?—In regard to the constitution of Land Boards, I consider that Land Boards should be elected by the local bodies of each district, thus obtaining representative men of all classes. The Chief Lands Commissioner would be the *ex officio* representative of the Crown. Nominated Boards would probably represent only the views of the Government which appointed them, and as the present Government apparently favour leasehold, naturally the Boards would hold the same views, which is undesirable. The best land-tenure is undoubtedly freehold. This system makes a man more sturdy, more energetic, more independent—just the class we require. The desire to own our farms is a trait in our national character. To sit under his own vine and fig-tree man will undergo years of toil and hardship. To enable persons of limited means to take up land it is desirable to open the lands on lease with right of purchase, so that the occupier, when his circumstances improve, may be able to purchase it, and thus become an independent voter. Lease in perpetuity is objectionable. It does not meet with the views of land-nationalisers or freeholders. Occupiers are afraid that the rent will be raised by a so-called Fair Rent Bill. In the future there will be considerable friction over that law. It is very objectionable that an applicant for land should be compelled to reveal his circumstances to a Board before he can compete for a section, and not then if the Board consider he has not sufficient means. One man will be a success with half the capital of another who fails. Improvement conditions should not be so heavy, and cropping restrictions are objectionable. A man will do the best he can with his own. Rough, broken, and poor lands require to be held in larger areas and sold at a cheap rate. The ballot system has some drawbacks; but when there are a large number of applicants for one section it would be unfair for the Board to hand it over to any one they choose. They would soon be charged with favouritism. Loading lands for main roads and main drains is not objectionable, provided the money is economically spent. In the case of large swamps it is impossible for selectors of limited means to work them unless the main drains are first cut. Leaseholders should have the right of purchase by paying values at date of lease, with 1 per cent. compound interest added to make 5 per cent. in all, from date of lease. The Advances to Settlers Act is one of the best we have, as it gave the settler cheap money; but it should not be pushed too far, as it is mortgaging our lands to the foreign money-lender. It would be better if we could so borrow from the colonial money-lenders, so as to keep the interest in the country. The aggregation of large estates by companies or individuals is not desirable, but must be regulated by circumstances—quality of soil, nearness to markets, &c.

112. *Mr. Forbes.*] Do you think that your plan for the election of Land Boards by the local bodies is a good and workable one? The local bodies would know of the fitness of their candidates for the position. I think it would be better to have a Board of mixed views. Under that state of affairs we would get a better Board than when only one party was represented. I have no complaint against the Board as now constituted; they have always treated me well and fairly.

113. Is it not reasonable to think that the Government when bringing down a land policy would not feel satisfied if that policy was to be handed over to people who did not believe in it, and were even hostile to it?—For all that, I think, in the interests of the country, it would be better to have the Boards made elective. They would then represent the people, and those who were desirous of settling on land would have more confidence in them.

114. *Mr. Matheson.*] Might not the Government of the day be very pleased to see the Boards elective, so that in the event of the failure of any system they propounded they would be able to say, "Well, you did not allow us to carry out our own policy." You put in hostile men to administer the system?—The Government that enacted the law would still be responsible for its administration.

115. Does it not seem wise that the Government that originated the system should have the nomination of the officers to carry it out?—Perhaps; but, still, such a Board does not represent the people, but represents the Government.

116. You think it would be better for the country if the Boards were elective?—I do. We should then have men who have a better knowledge of the requirements of the country.

117. Do you think that the local bodies are better able to pick out the suitable men in the district than is the Minister of the Crown, taking the colony as a whole?—I think so. They would have a better knowledge of the persons available.

118. You are aware that selectors under the Land for Settlements Act are now paying 1 per cent. more in interest than the lease-in-perpetuity settlers. Would you make them pay still more if the right of purchase were granted to them?—I think they should have the right of purchase at the value put upon their land at the time of leasing. The Government gets its money at 5 per cent. interest, and therefore when a man pays 5 per cent. I think that is all that should be required of him.

119. Do you think it would be good for the colony, as well as for the settlers, to give them the right of purchase?—Yes, because it would make the settlers more intelligent.

120. *Mr. McCardle.*] Do you not think that the land-for-settlements selector should give some consideration to the State if he gets the freehold? When the leases were drawn out an increased value should have been put upon the land, so as to cover any loss in the event of purchase. I think the State would be justified, when it purchases an estate to be cut up, in putting an increased value upon it.

121. In regard to the Land Boards, do you not mean that the men elected or appointed should be men with a knowledge of the land laws, and also with a knowledge of the requirements of bush settlers?—Yes.

122. Is not the honorarium of the members of a Land Board so small that it would be impossible for a man other than a capitalist to offer himself as a candidate?—The expenses would be nil. The election would take place on the same basis as the election of the Education Boards, which is very simple.

123. *Mr. McLennan.*] Would you not allow the Borough and City Councils to take part in the election of Land Boards?—Yes, because they also have an interest in the settlement of country lands.

HENRY HUNT examined.

124. *The Chairman.*] Do you hold land?—For nearly fifty years I held 300 acres in the Kaipara district, but I lost it, and my sons bought it and are living on it.

125. What particular matter do you wish to bring forward?—I believe in the occupation with right of purchase, the freehold system, and the homestead system, but especially in the homestead system. I believe that if the homestead system were in force hundreds of people now working on the gumfields would take up land, to the great advantage of the country. In my opinion, land sales by auction would be preferable to the ballot system, because they give a man a better chance of getting the land he wants. I think that a square mile should be enough land for any man. It is unreasonable to suppose that people will come fourteen thousand miles to take up land on a leasehold system. I would certainly never have left England merely to take up a lease.

PETER EDWARD CHEAL examined.

126. *The Chairman.*] Are you a landholder?—No. I am a surveyor, and have been so for the last forty years.

127. Will you state the question you wish to bring forward?—I take it that the main question which this Commission has to decide is whether the lease-in-perpetuity settlers should be allowed to acquire the freehold. On the principle of "the greatest good to the greatest number," I consider that the lease-in-perpetuity system has been most beneficial to this colony. Not only has it led to a large increase in settlement, but also to the very large export trade we have at the present time. I am satisfied that if Sir John McKenzie's land legislation had not been carried out as it was—had the large estates not been broken up, and had there been nothing but freeholds—we should not have anything like our present export trade. As to the proposal to give the freehold to the lease-in-perpetuity settlers, one of the serious disadvantages to the colony as a whole would arise from the difficulty as to mining-rights. Under the lease-in-perpetuity tenure all mining-rights belong to the Crown. If the right to acquire the freehold is to be given it should be merely a conditional freehold, conferring only surface rights and reserving the minerals to the Crown. Great Britain is to-day suffering under the royalty system, which is due to the individual owner having the right to minerals. Sir Christopher Furness has shown in evidence that from 4s. 9d. to 5s. 6d. is paid in royalties for shipping plates, pig iron, and steel rails, whereas on the Continent, where the royalties belong to the State, it is not more than from 6½d. to 1s. 1½d. That is one reason why the lease-in-perpetuity settler should not be granted his freehold, except with the reservation of minerals to the State. Another serious objection to granting the right of purchase is the interference with fixity of tenure. Once interfere with fixity of tenure and you never know where it is going to stop. If we grant the leaseholders the right of purchase then we interfere with fixity of tenure. I believe that this is going to be a manufacturing colony in the main with a larger population in the towns than in the country. Therefore, there will be a larger representation of the towns in Parliament, and if suddenly in the future the people, seeing the necessity of the State holding the lands of the colony, should carry legislation to resume those lands, the holders could not complain that they had been unjustly dealt with, because the fixity of tenure had already been interfered with. All local bodies like to obtain lands as endowments, and what is good for the municipal bodies and for the individual is good also for the State. To-day the State has something like twenty thousand leaseholds, which bring in £400,000 a year. Is not that a splendid endowment for the State. I do not look upon the increased indebtedness under the Land for Settlements Act as a very heavy burden. In regard to the constitution of the Land Boards, I think the present system is the right one, though I also think the Government should exercise a little more care in the selection of the members. On the Auckland Board we have men who have been in business all their lives—who know nothing of the land, and have never been more than twenty miles from their own homes. Men well acquainted with the interests and requirements of the country are the people who should be put upon these Boards. With regard to the working of the ballot system, it seems to me that the object of those who introduced the system was to give

every man a chance of getting a piece of land. The great object of the system is to limit the choice to *bonâ fide* settlers. As a matter of fact, thousands of people perjure themselves under this system by declaring that they want the land for their own sole use and benefit. We know very well that young fellows apply for land, and not content with this, get their sisters and their cousins and their aunts to apply also. There may be forty applications made in the interests of one person, and thirty-nine of these perjure themselves. This is an evil which I think could be met without interfering with the ballot system. More power should be given to the Land Boards as to the method of deciding who are *bonâ fide* settlers. The concessions under the Bush and Swamp Crown Lands Act, good as they are in principle, only accentuate the difficulty I am speaking about. The applicant knows that in the case of land of this kind he is not required to reside on the section for four years. The ballot system has become something like the totalisator. Many men put their money into the land under this system simply with the object of gambling. I have known instances where a man who has been successful in the ballot for land has sold the property that he has drawn before leaving the room in which the ballot was going on. I can say of my own knowledge that men who had not two pennies to jingle on a tombstone have spent hundreds of pounds in felling bush, grassing the land, and fencing. This means that there are people behind them who are finding the money, and it is these moneyed men who are urging the people under them to go in for the freehold. I take it that there is no question that the intention, when the system was brought into force, was that every man in the colony should have the right to obtain a piece of land—but only one right in his lifetime. But what do we find now? That very often a man has taken up land and improved it and sold it, and then taken up another section and gone through the same process. I do not think that is right. Once a man takes up a piece of land he should be debarred from coming into the ballot again, otherwise he is simply shutting out other men. I represent what may be called the landless section of the public. But I consider that those of us who are in the town and do not go on the land have a voice in the question of land-tenures. From the Year-book we learn that half the population of New Zealand live in the towns and their suburbs. Every acre of land belonging to the Crown estate has been purchased, and the improvements upon it have been carried out by means of public funds. Therefore, every resident in the town has paid his share towards it, and I take it that every acre of Crown estate which is allocated in freehold has virtually disinherited some of us who are residing in the towns. It is the desire to get hold of this unearned increment that is causing so much speculation in land-values. I will give an instance which I can vouch for. Some years ago the Waikato Land Association let their land by ballot. A gentleman, who is in business in one of the small towns of the Waikato, drew one of the best sections. He did not want the land himself, for he had no intention of settling. There was another gentleman hailing from the south who had a wife and family, and who had been waiting for some time to go upon the land. This gentleman had to pay the tradesman a bonus of £400 in order to secure that section. I say that the tradesman had legally robbed the settler of that £400, for he was not a *bonâ fide* settler, and having no desire to go upon the land he ought not to have put in for it. I hope that the Commission will make a strong recommendation on this point, and obtain for the Land Boards increased powers in the matter of ascertaining the *bona fides* of applicants. They should have power to shut out those who, in their opinion, are going in for land simply to make money out of it. I would not interfere with the present tenures or with the tenures of the past. I believe that the present land laws giving the option of the freehold, occupation with right of purchase, and lease in perpetuity are very liberal. In fact, I believe all the tenures of the colony are liberal at the present time. I would like to point out, from what I can learn from the Year-book, that, after all, the lands really interested in this question of the freehold do not comprise a much larger area than the lands held under occupation with right of purchase. I find the freehold acquired in the past ten years average 31,000 acres per annum, under occupation with right of purchase they averaged 139,450 acres per annum, and under lease in perpetuity they averaged 154,800 acres per annum. There is only a difference of about 14,000 acres between the area taken up under occupation with right of purchase and the area under lease in perpetuity. Another serious question with regard to these lands is this: suppose it is decided by referendum by a majority of the people of the colony to give the freehold to the lease-in-perpetuity holders, the question is whether it should only affect the State or all other endowments as well. In the south, where persons holding under lease in perpetuity are asking for the freehold, we find those holding endowment leases are also asking for an alteration of their tenure. If it is possible that those who hold the lease in perpetuity now in good faith should have the right to get the freehold from the State, I do not think the State should be placed in a worse position than the local bodies or local institutions, and, therefore, the lessees on these endowments should also have the right of the freehold. In fact, I would go further, and I would say that if this policy is made applicable to the State it should also be made applicable to the private owners of land. That, I take it, is the logical sequence. Another thing makes me feel—and I realise I am under oath—that there is a power behind the landholder to-day which is trying to upset the leasehold tenure of the colony. When travelling lately I fell in with two lease-in-perpetuity holders, who complained that when they gave a bill of sale over their stock the auctioneer charged them 2 per cent. more than he charged the freeholder. I take it that the idea in the minds of the people who do this sort of thing is simply to cause the people to become disgusted with the leasehold tenure. I think that is very wrong, and I think it should be looked into. One gentleman on the Commission said something about evictions, and that is one of the reasons why I think the private ownership of land has been more of a curse than a blessing in any country. One cannot help being appalled at the number of evictions that have taken place in Scotland, and they have been the outcome of the private ownership of land. I believe if the land belonged to the State in a democratic country such as ours that no Government of the day could ever go in for such evictions. I think there should be more stringent regulations in regard to the ballot system. Under the present

system a person makes a declaration that the land is taken up for his own sole use and benefit. It has been suggested, and I think the suggestion is worthy of the observation of the Commission, that in addition to that he should state, "I take up this land and I intend to settle on it and live on it." If that man is not found on the land years afterwards he should be had up for a false declaration.

128. *Mr. Matheson.*] Do you look on the contract between the State and the tenant as a thing which should never be broken?—I think it should not be broken during the time the contracting Government are in power. I do not think we can legislate for another generation though.

129. If we as a State think it would benefit us to alter the contract and the tenant thinks it would benefit him, then do you think it would be wise to alter the contract?—I have already said it is a mistake to interfere with the fixity of tenure, but if the two contracting parties agree I do not think we can say much about it. If the majority of the country as represented in the House are in favour of altering the tenure it will have to be done.

130. But, so long as the contract stands you would like to see it carried out?—Yes.

131. Do you realise that under our present law, if a man fails to pay his rent for twelve months he is liable to eviction?—That is so, and so he would be with a bank or any other institution.

132. Do you realise that scores of men are liable to eviction now, and that we are not carrying out the law in their cases?—That may be so.

133. Does it not seem to you that if the law is to be administered it should be administered whichever way it cuts?—That is so.

134. Do you think those people should have been evicted for having failed to pay their rents?—If they can show no extenuating circumstances, I take it the State is in the same position as any private landlord, but I believe the State as a landlord is far better to deal with than a private landlord.

135. If the lease in perpetuity had contained the right of purchase, do you think settlement would have been deterred in any way?—I do not think so if there had been no other tenure.

136. I think you said that if the land-for-settlements tenants were given the right of purchase we should lose a large revenue?—Yes.

137. Do you realise that the whole amount we get from the land-for-settlements tenants does not come to us at all, but is merely handed over to the English capitalists?—I believe the amount in favour of the colony is very little.

138. *Mr. McCordle.*] Do you think that under a system of small freeholds the State could exercise its power of taxation much more readily than under a system of small leaseholds?—I do not think so.

139. I think you know the law of the colony, and I think you know that under the land-tax there is an exemption of £500, and it will take the leaseholder under the present system a long time before his interest will exceed the £500 exemption?—Yes, and a great many small freeholders as well.

140. But will not the freeholder reach the exemption limit much quicker than the leaseholder, the fee-simple of whose land is held by the Government?—He will.

141. Then, do you not think that a system of small freeholds will be much more profitable to the State, because the land would then be more accessible to taxation?—I do not look at the thing from that point of view. I think, taking the welfare of the colony as a whole, the land should be in the hands of the State rather than in the hands of the private individual.

142. But 999 years is a long way to look forward before the State can see any profit?—That is so.

143. And if the State can get a profit by abolishing the lease, it always has the power by taxation to recover from the freeholder anything the State may want in the way of revenue?—That is so. I would give the present freeholders of the colony the benefit of being a most upright and honourable set of men, but one does not know what the future may bring forth. If you give the freehold to the private individual, you run the danger of making the people serfs.

144. Who do you think is the serf in New Zealand to-day?—I do not think there is any question about either freemen or serfs at the present time.

145. Do you not think that the back-block settler without roads or schools or any of the conveniences of civilisation is the man who fills the bill?—I believe they are the men who do the hardest work and get the least for it.

146. *The Chairman.*] You do not believe in the freehold?—I do not believe in altering the present land-tenures. I think State ownership is better than private ownership for the colony as a whole.

147. As regards the principle of the thing, do you think it is not in the interests of the State that the land should be held under the freehold tenure?—I think it would be better if no more freeholds were issued.

148. How do you account for the extraordinary prosperity of Denmark under the freehold system?—They are very small holdings.

149. But, still, they are freeholds?—Yes.

150. Is it not the intention here to limit the area a man may hold?—That is so. There is a limit so far as grants are concerned, but you cannot limit it in other ways. Supposing the whole of the Matanata settlers were to sell their land to a certain monetary institution, the land would still remain in the different names, but that institution would be virtually running it as an estate, and you could not stop it.

151. Do I understand you to say that the townspeople have the same right to express an opinion on land-tenure as the settlers themselves?—I think so.

152. Are they equally interested or equally responsible?—They are all interested, inasmuch as they are all taxpayers and pay their share towards opening up the back blocks.

153. About fifty millions of borrowed money have been spent, and this money has pushed the towns ahead: have not the cities grown up in a great measure owing to the expenditure of these borrowed millions? I do not think so.

154. Has not the expenditure on public works and railways, and so forth, been of great benefit to the cities?—They have been of more benefit to those who make use of them in the country districts, I take it.

155. But, seeing it is the settlers' land and stock which are mortgaged for these borrowed millions, are they not chiefly responsible?—I do not think they are personally mortgaged, so far as the State mortgage is concerned, any more than the individual who has to pay heavily through the Customs.

156. What is the security the money-lenders look to for their millions?—The securities are supposed to be the lands of the Crown, and the railways and public conveniences.

157. Seeing that three-fourths of the exports of the colony which pay the interest on the loans are taken directly from the soil, do you not think the money-lenders look to that as their chief security, or do you think they look to the towns?—Certainly, they look to our exports. It is the great increase of our exports that has given them confidence in this colony.

HARRY OSBORNE examined.

158. *The Chairman.*] Are you a landholder?—Not at present. I am a builder, but I intend to go on the land as soon as I can get some. I have had long experience of farming in the back blocks.

159. Is there any matter you wish to bring before the Commission?—I wish to read the following statement: I believe in the freehold as the best tenure and a sound one for the country. It will help the country in time of trouble, while the lease in perpetuity would help to break the country. It is not a safe tenure, being subject to a revaluation of one's own improvements, the same as the present infamous land valuation, which taxes every man's house and labour. If a man is allowed to acquire the freehold he will look after his land, and, in case of an accident, he leaves something to his wife and children. In the case of the lease in perpetuity he only leaves the goodwill of his farm, and that may not be worth a farthing. There should be more back country opened up for settlers who would sooner obtain bush land. The balloting system is a disgrace and a field for disgraceful speculations, and the man most suited for the farm and having a practical experience is left out in the cold. Hence this Government's justice in land affairs. I believe the farmer should be allowed to apply for the section that suits him, say, under the old deferred-payment system, which is a stepping-stone to the freehold. The present high price of land is due to the Government practically closing up the back blocks. The Government should be careful not to cut up any estates that will be valuable for wheat- and corn-growing, as the present subdivision of estates at high prices can be carried too far.

160. *Mr. Forbes.*] You said the leasehold is subject to revaluation?—It is subject to any alteration this Government or any other Government may deem suitable.

161. The lease is given for 999 years, and there is nothing in it which says it is to be revalued?—It is the general opinion of those under the leasehold that their land will be valued the same as freehold or any other tenure.

162. You think it will be subject to the same law as the whole of the lands of the colony?—Yes.

163. Is it not fair and equitable that the lands of the colony should be subject to the laws of the colony?—Yes: but I do not think any man's improvements should be taxed.

164. Are not improvements exempt?—Not under the present system. The Government tax the house and everything else.

165. Under land taxation, are not your improvements exempt?—Even if they are, would not the freehold be better. I say it would. I say there is a probability of the leaseholds being revalued if the socialist party come into power.

166. And you think they might do something with freehold as well?—That is quite likely: but, still, it would not be under the same disadvantage as leasehold.

EDGAR EDWIN PARTINGTON examined.

167. *The Chairman.*] Do you hold land?—No: I am a city worker, but I have had experience on the land. My people owned land both here and in Otago. I have a few notes here, which I will read to the Commission. Moses spoke to the children of Israel, saying (Leviticus, chapter xxv., verse 23), "The land shall not be sold for ever: for the land is mine: for ye are strangers and sojourners with me!" Again (verse 28), "But if he be not able to restore it to him, then that which is sold shall remain in the hands of him that hath bought it until the year of jubilee: and in the year of jubilee it shall go out, and he shall return into his possession!" Again (verse 34), "But the field of the suburbs of their cities may not be sold; for it is their perpetual possession!" I believe in elective Land Boards by parliamentary franchise. I think one man should not hold more than one freehold, because the land should be held for production and not for speculation. I believe in compulsory residential qualification and the abolition of the ballot system, and the substitution therefor of allotment on application. I think the Advances to Settlers Act should be extended to everybody. I do not think the individual should be restricted in his method of working his land, and I think there should be no Inspectors coming round. I would suggest the alteration of the 999-years lease to one of fifty years, with periodical revaluation every ten years. I would have no more heirs and assigns for ever. One generation cannot bind another. All economic writers say that the land of a country belongs to the people of that country. I think taxation should be on land-values, and I would advocate the introduction of a Fair Rent Bill, to apply to the whole of the colony. Crown tenants should not be granted the freehold, and they should not be allowed to sublet or subdivide their holdings. If they do so it should be at the present value

in the open market, and the State should then take control. I think absentee landlords should be taxed to the extent of 20s. in the pound. No more Crown lands should be sold. I think that idle city sections should bear a penalty tax of 5s. in the pound. No syndicates or churches should become landlords. Natural laws cannot be broken without suffering, but human laws can be altered for human development. No generation can bind an unborn generation. The Crown tenants, after being helped by the Government, are now wanting the freehold in order to become landlords, and to secure the unearned increment. Some of the witnesses before the Commission have said there is no unearned increment, but I will quote cases later on to show the fallacy of that statement. When there is an exodus of people land-values go down, and when there is an influx they go up. It would be almost suicidal policy for the Government to buy up large estates from landlords and then sell them to create fresh landlords. In point of fact, a very large proportion of Crown lands are now disposed of for 999 years. The rentals are based on the assessed value of the land at the time of disposition, without increase or recurring valuations. Under this system there is a fixity of tenure practically equal to the freehold, and which, like freehold, necessarily carries with it the power of sale, sublease, mortgage, or disposition by will. This should never have been allowed. To do no injustice, I would suggest giving the lease to man or wife until death, and then revalue, and if the children like to take it up let them do so; or give the Crown tenants £1,000 each for distribution amongst their children. I believe in the principle of the Bush and Swamp Lands Act. I think we should abolish minors, both male and female, as this system only encourages dummyism, because these minors do not take up the land for their own use. Land may also be taken compulsorily for workmen's homes within a borough having a population of at least 15,000 persons, or within a radius of fifteen miles from the border thereof, and the area is restricted to 100 acres yearly. I think the distance is too far. It should be, say, four to eight miles; and the basis of population is too high, and should be, say, five thousand persons. Then you could include suburbs. Workmen's homes are not for agricultural purposes, but to enable industrial workers to obtain homes to live rent-free, and grow a little fruit and vegetables and keep a few poultry for their own use in off time. I think agricultural and industrial workers should be kept balanced—say, half of each—for each depends upon the other. In opening railways I think the Government should reserve a mile on each side of the line and a circle within a radius of two miles. The Government should take over the land agency business, and send all the land agents to the plough. The definition of a freehold is, "The land or tenement which is held in fee-simple or for term of life." Unearned increment is created by the community, not by the individual. The individual creates the earned increment, and security of tenure gives him the full reward of his labours. Henry George is the Moses of the twentieth century, and the the single-taxers are the Children of Israel, who will lead us all into the Promised Land. To prove that there is unearned increment, I may state that the block of buildings at the corner of Queen Street and Wellesley Street, occupied by the Milne and Choyce Company (Limited), has been sold to Messrs. A. R. Watson and A. D. Watson, of the North Shore. The frontage to Queen Street is 67 ft. 9 in., and the land runs back to Lorne Street, the frontage to Wellesley Street being 165 ft. 7 in. The building on the property is a brick one of three stories. The price at which the property has changed hands is stated to be £40,000, which is equal to about £588 per foot on the Queen Street frontage. Again, the Government bought a piece of land in Albert Street a little while ago, and the Compensation Court awarded the owners £5,000. The owner originally bought that land for somewhere between £75 and £80. I say if the Government had put a tax on the unimproved value of that land it would have been brought into use many years ago, instead of lying idle as it did. I think these are fair samples of unearned increment, especially in city lands.

168. *Mr. Forbes.*] You said that there was a three-storied building erected on the land in Queen Street: was that included in the price?—Yes.

169. That building cost money?—Yes.

170. For your illustration to be of use you should have given us the original price of that land and the price lately paid without the building?—I could not get the price to give you. I suppose the building would be worth from £2,000 to £3,000.

171. You said you did not believe in the ballot system: what system would you substitute in its place?—I think a man who desires a section of land should apply to the Commissioner of Crown Lands for it.

172. What would you do in the case of improved estates, where very often fifty men apply for one and the same section?—I would put their names into a hat and let them draw for the sections. I may say that, if no better scheme can be devised, I have no objection to the ballot; but I would be very pleased to try an experiment that would stop land monopoly or dummyism.

173. *Mr. Matheson.*] Would you be pleased to try an experiment which you thought would run a great risk of killing out the farming community?—I would not kill any one with experiments.

174. In looking at the farming lands do you think there is an increment which is often unearned?—No. I think a farmer who is a legitimate and *bonâ fide* farmer has all he can do to earn his living off the land; but when a community settles round him an artificial value is created which is unearned increment.

175. If a number of men go into a new settlement, and each take up a section of land, do you think the increased value of the district is due to the work and industry of these settlers?—There is an increase put on the land by their labour, but there is a certain community-created increase.

176. Do you think they are entitled to that increased value which comes by their living together in a group?—No. I think that should go to the State as direct taxation.

177. When a man takes up land worth £1 per acre, and puts improvements on it at a cost of £4 per acre, and the Government Valuer comes and values them at £3 per acre, to whom do you think that odd £1 should belong?—I do not think he should be allowed to tax improvements.

178. Do you realise that it is impossible for an assessor to judge the amount of improvements that have been put on land?—I think it is very difficult, and therefore I do not believe in taxing improvements.

179. Do you realise that you are bound to tax a man's improvements unless you give him the freehold of his property? If you cannot value his improvements you cannot exempt them?—I do not say you need tax improvements.

180. You just said that you cannot value a man's improvements, and yet you are going to make him pay taxes on the unimproved value?—I would tax the unimproved value of the land only.

181. Do you look forward to the time when everybody will be a servant of the State?—We are all so to-day.

182. Do you look forward to the time when everybody will be receiving his salary direct from the State?—No; I am not quite advanced enough for that.

183. *Mr. McCardle.*] I suppose you are aware it is only the poorer class of settlers who go into the back blocks to hew out homes for themselves?—I would like a bit of land, but I do not care to go beyond the bounds of civilisation when there is so much idle land lying about here.

184. I suppose you admit it is only necessity that compels men to go into the back blocks?—Yes; and necessity knows no law.

185. Considering that is the case, do you think the men who ballot for this land will have the speculator amongst them?—Not at the start, but they will have the speculator amongst them as soon as the Government run a railway up to it or a road passes through it.

186. You are a worker in the city, and you say you have some idea of going on the land?—Yes.

187. Under what conditions do you propose to go?—To live on the land as a home.

188. Years ago there was an Act on the statute-book which enabled a man to take up a section of first-class land from 50 acres up to a maximum limit of 350 acres, under these conditions: he had ten years' optional residence and ten years in which to pay rent, and he was compelled to pay so-much out of his earnings every year until the whole of his improvements were completed, and then he could go and live on the land. Would a system of that kind meet the workers of the city?—That is an old Act, and I am very glad it is gone.

189. You would rather go and be shut up in the bush for the best years of your life, and earning hardly a bare living?—I have had acquaintance with logging-up in rough bush land and laying down grass for cattle. It was hard work, but I did not regret it. I only regretted that my labour was for other people.

190. *The Chairman.*] Do you say there should be no inspection of lands leased from the Crown, and no restrictions put on them?—Not if they paid taxation on them.

191. Would any landlord let land and make no conditions at all as to the way it was to be handled?—I think they place too many restrictions on the poor tenants. I think the Government is a better landlord in that respect.

192. You spoke of the great profit made out of the sale of city property lately, but what about those in the past who had to sell for half what the buildings cost them?—You see, the landlords created fictitious values by land-booms, and if the values go down everybody must be prepared to suffer.

193. The Government have lately bought the property of the Thames Valley Land Company at a price which represents about a third of what the improvements cost. If the State is to get the benefit of any rise in value, should not the State make up any loss?—By a proper system of taxation, as values went up the taxes would be increased, and they would go down when the values fell.

194. Do you think the State should make good the loss suffered by people through falling values?—The State makes good everything. The State is responsible for everything, and should provide everything.

EDMUND SALE examined.

195. *The Chairman.*] Do you hold land?—I rent land at Parnell, and I have a few acres of freehold at Remuera.

196. Is there anything you wish to bring before the Commission?—I have been in the colony three years. I brought out a family of ten. I made all the inquiries I could about the land here before I left London. I was under the impression it was much easier to get land than I found it to be. I have paid repeated visits to the Land Office, and I have always found the officials courteous, but it seems to me that the Government do not help one much. It is quite possible, I believe, to get very bad land without being able to get information from the Lands Office that the land is bad. Take, for instance, the land that was purchased for workmen's homes in the immediate vicinity of Auckland. On arrival here I made it my business to look at the land, and I would not give £1 per acre for it. I have seen better land within an hour and a quarter of London, with farm buildings and orchards complete, sold at £5 per acre. I read an article in the Press lately about the necessity of getting population both here and in Australia, but I do not think you are at all likely to get population here from London unless your land laws are altered. A man, if he knows the condition of things here, would be a fool to leave England. I belong to the Independent Labour League. I have become a socialist in New Zealand after seeing the condition of things here. I believe you will have repeated in these colonies all the conditions which obtain in England unless things are very much altered. I do not believe in either of the tenures—neither in the freehold nor in the leasehold. I have been very much amused in listening to the evidence here at the idea that the 999-years tenure is not long enough. It is equivalent to the period from the time of King Arthur until now. I do not know what their idea can be, unless it is that they will be able to speculate better under freehold than in leasehold. I believe the whole thing resolves itself into a speculation. So far as my observation leads me, there are five hundred men in this town dealing in land. I think it is a great pity a great many of them are

not doing something more useful. I was sent to the Wade country by one of these men, and they wanted £850 for a farm there. I made inquiries, and the valuer told me that the utmost value he would place on the farm was £400. Therefore, an utter stranger coming into the community needs protection, because the conditions of land are so different here from what they are in England. Of course, from the individualistic standpoint it is a case of the devil taking the hindmost, but I do not think the State should adopt that motto when dealing in land. My idea is that if a man goes to the Land Office they should be prepared to give him all the information he wants. I think a man can very easily spend a very large amount of money in running about New Zealand looking at land. Here is a suggestion, and it is one that has been adopted in Western Australia. If a man goes there and wants land the Government put the railway at his disposal. The State owns our railways, and I think the Government should afford a man coming to this colony every facility for getting about and seeing the land. I got tired of running about looking for land, and at last I put some money into suburban land, and, although I am a socialist, I will admit that I put the money in to get some unearned increment. Already my land has doubled in value, and I have not done a stroke on it. But I would much rather have been in the country doing some work.

197. *Mr. Forbes.*] Were you induced to come out to New Zealand by representations made to you at Home that you would be able to get land here?—Yes.

198. In what way were you disappointed?—The ballot is so slow and so uncertain, and you get so little information about it. I think the whole process should be quicker and more certain.

199. Did you get your information from the Agent-General's Office in London?—Yes. I also bought a Year-book, and pamphlets were supplied to me by a man in London who was lecturing on New Zealand.

200. Do you think the Government of this country is painting the prospects of land-settlement in New Zealand in colours too rosy in order to induce colonists to come out here?—I think the people in England are apt to think that they can get land very much easier in New Zealand than they can, and they are disappointed when they come out here.

201. You spoke of the land agents in the colony as an evil: do you not think that they are useful in helping a man to dispose of his property, and by bringing buyers and sellers together?—So long as the present system obtains they have their uses, no doubt; but I personally think they are rather an abuse than a use. I would put a stop to the transfer of land entirely. When a man ceases to use land he should have to go off it altogether.

202. *Mr. Matheson.*] Do you consider the information supplied to you by the Agent-General at Home was very misleading?—I think it was misleading, though perhaps not intentionally so.

203. Do you consider the State would be the best landlord we could have here?—I do.

204. Are you aware that we are letting farms now, and that the tenants thereon are liable to eviction if they cut scrub without a written permit from the Commissioner of Lands, or if they put in a crop without a specific amount of manure?—Those conditions are very mild compared with the conditions exacted by the landlords in England.

205. Do you think such conditions are reasonable to farm under and live under?—I am not sufficiently well up in the question to be able to reply.

THEOPHILUS LESLIE STEVENS examined.

206. *The Chairman.*] Are you a landholder?—Yes; I hold land in the city and at Mount Albert—just an allotment in each. Both are freehold.

207. Have you any remarks to make?—I have here a written statement showing the number of leaseholders, which I obtained from the Land Office. It shows that the total number of Crown tenants on the 31st March last was 21,101. Of these only 11,000 hold pastoral leases or leases in perpetuity. That being so, it is only half the tenants who are concerned in getting the option of the freehold, and I say it is the people at large—the people of the cities, as well as the people of the country—who should decide as to whether the freehold should be granted and the conditions under which it should be granted. I should say that if the people are to get freehold instead of leasehold the same law should apply to all leaseholds, including endowment lands and private lands. I should like to hand in this statement in reference to the leaseholders. It has been furnished to us officially. The question, to my mind, is not so much a question of freehold *versus* leasehold, but it is a question as between land-speculator and land-user. If the land-speculator forces the land-user to pay practically to him—if not directly at any rate indirectly—it is blackmailing the farmer, who has to pay the larger proportion of the cost. I was for a number of years at farming work in the South, and I was valuer for the Government and for local bodies on many occasions in the country, so that I have had plenty of experience. My experience is that those who have the freehold at the present time—the great bulk of the larger farmers and the small farmers as well—are mortgaged. I was acting for the New Zealand Insurance Company at one time, and the work I had to do in connection with that office brought it forcibly to my knowledge that pretty well all the landholders were mortgaged. Now, a man might just as well be a leaseholder as be living under a mortgage, and I think the State would be a very much better landlord than any private individual is, though there may be a few good private landlords here and there. We all admit that speculation in land is an evil, and the only remedy you can apply to speculation in land is to tax land on its unimproved value sufficiently heavily to make speculation in land absolutely unprofitable. The farmer would not have to pay half the purchase-money he now pays but for the prospective value which leads to speculation in land.

208. *Mr. McLennan.*] Are you a member of the Trades and Labour Council?—No.

209. *Mr. Matheson.*] Do you say if land was more heavily taxed it would be better for the farmers?—Yes, most decidedly so, and I know fifty young farmers who would say the same.

210. You also said that a freehold with a mortgage is no better than a lease. Do you realise that there is one great difference between them, which is this: that the freeholder with a mortgage

has an opportunity of at some time paying off that mortgage, but the Crown tenant who pays rent under the lease-in-perpetuity tenure has not that privilege?—Just so; but the lease-in-perpetuity tenant is not subject to revaluation. He is reaping the advantage of the increased value of his land.

211. Are you aware that the Trades and Labour Council recommend that a lease-in-perpetuity tenant's property should be revalued at his death?—I am not aware of that.

212. Knowing this now, do you still maintain that the freehold with a mortgage is not better than a lease in perpetuity?—No, it is not. Of course, it depends on the amount of the mortgage.

GEORGE STEVENSON examined.

213. *The Chairman.*] Do you hold land?—Yes, I hold a section of suburban land on freehold tenure.

214. What matter do you wish to speak upon?—With regard to the constitution of Land Boards, I think that elective Land Boards are right, and that landless people, as well as land-owners, should have a say in the election. I consider that all the people of the colony have an equal interest in the manner in which lands are distributed and worked. Then, I am not a believer in the ballot system. My father was one of the first to take up land under the lease-in-perpetuity system, and in order to make sure of getting a section several of the sons put in applications with him. It was his only way out of the difficulty. A single man who wanted a section would have only one chance, while a man who was in a position to put in other names would have four or five chances. I would suggest that, instead of the ballot, the lands should be let at a competitive valuation—that is to say, that the man who places the highest value upon the land should be allowed to take it up, because he is undoubtedly the man who will make the most use of the land. Those who wish to take up land without using it for a time would then have to wait and get land later on. With regard to the question of freehold *versus* leasehold, the leasehold has one great advantage, and it is that it enables the poor man who has very little capital to get on the land and spend all the money he has on improving and stocking. If it had not been for the leasehold there would have been many more men about the city competing with the other workers for employment. The worst of the freehold is that the prospective value runs the price up to such an extent that the legitimate users of the land are debarred, and the poor man has to put all his money down for the land, and then has to mortgage his property in order to get enough money to improve it. I know of no other method of coping with the difficulty than putting an adequate taxation on the unimproved value. I think that would be to the benefit of the whole community, as well as for the landowners themselves. I recommend that the freehold be not granted to the Crown tenants until freehold is paying its proper duty to the State.

215. *Mr. Forbes.*] You advocate the tender system, as opposed to the ballot, where there is more than one applicant?—Yes.

216. Would not that competition tend to increase the price of land, which is the very thing you have been deploring? Would not the price then be prohibitive to a poor man?—What I meant was that the want of adequate taxation on freehold land enables the owners to let their lands lie idle until they can demand a high price for it, and result is that the poor man cannot get it.

217. Would there not be a tendency on the part of intending tenants to offer more rent for a piece of land they wanted than they could afford to pay, looking to the produce the land would yield?—I do not think that position would come about at all, because a tenant would be stupid if he offered more rent than the land was worth.

218. Do you not know that in the past history of this colony that position did come about under the auction system, and the Government had to go in for reducing rents?—I did not know that. But that is only one side of the question, because I recommend that adequate taxation be put on freeholds.

219. It would be necessary to do that before you could do away with the ballot system?—I do not think so, because neither I nor any other tenant would pay more rent than we could afford.

220. But a farmer, in the excitement of the auction, might give more than the land was worth, as he has done in the past, and the Government had to come to his rescue?—I think the fault was that there was so much land held for speculative purposes.

221. *Mr. Matheson.*] Do you say that it will help land-settlement if freeholders are called upon to pay taxation equal to rent?—Yes, equal to the using-value of their land, provided the other taxes are removed.

222. *Mr. McCardle.*] You hold that when an industrious man takes up a piece of land and spends a good deal of money on improving it the Government should step in and increase his taxation?—No, I am not in favour of taxing improvements; I would tax the unimproved value.

223. Have you had anything to do with the Advances to Settlers Office?—No.

224. Do you know anything about the lands set apart for workmen's homes?—No; I would not bother to go and look at them. The land is in such a poor locality, and it was bought at such high prices, that workmen cannot take them up and work them with profit.

225. If a large number of workmen established their homes there would not the land raise in value?—Yes; but they could not do it at the present time, because of the speculative price the Government pays, which has made it absolutely prohibitive for men to live on it.

FREDERICK MASKELL KING examined.

226. *The Chairman.*] Are you a landholder?—I have some freehold land in the city.

227. Have you any remarks to make?—I wish to refer to the cropping restrictions under which land is placed. I am of the opinion that such restrictions should be abolished. A man has a right to use his land to the best advantage, on condition that he contributes to the State the annual rental value of that land. Then, I am not in favour of the present ballot system, nor am I in favour of the option system. I would rather favour a tender system, which would do away with undue com-

petition and the excitement which takes place at an auction. The valuation placed upon the land by the applicants would be likely to be genuine if men who are taking up land knew that instead of taking up an asset they were taking up a liability, the liability being that they should pay to the Government the annual rental value of the land. As regards leasing lands for roading, I approve of that, because it is Government expenditure, and that Government expenditure increases the value of that land, and therefore those who take up that land should pay for the money the Government have spent upon it. I do not think the town workers should be taxed on their food and clothing and other necessaries of life to provide roads for the country districts. It should be an axiom, I think, in our land policy that the community-created value by the expenditure of public funds should belong to the community, while the value which is given to the land by the labour and industry of those who use it should belong to themselves. There is no such thing as unearned increment. The increment is always earned, only that it is earned sometimes by the Government and sometimes by the individual, and it is only the latter that should belong to the individual. That which is earned by the expenditure of public funds belongs to the people of the colony as a whole. Now, large estates would not be a curse to the country if those who held them paid the annual rental value to the Government, because people would not then hold any more than they really required. The reason why people are being forced into the back blocks while valuable land is held idle is obviously because this useable land is held above its using value by those people who have got hold of it. As to the question of leasehold *versus* freehold, for myself I do not see that it matters whether land is held under freehold or leasehold. I do not suggest the breaking of the present leases. I think they should be held as at present without revaluation, because it must be remembered that the settlers have to pay taxation on the Customs duties, and we do not want to make them pay twice over. I would not increase the rent to the leaseholders until I increased the taxation on the unimproved value throughout the whole colony. I wish also to say that I am Secretary of the National Single-tax League of New Zealand.

228. *Mr. McLennan.*] You would be in favour of removing all restrictions on the present tenants under the Land for Settlements Act?—Yes.

229. Suppose they did not farm their lands properly, and allowed weeds to grow up, and failed to keep their fences in repair?—It is obvious that if adequate taxation were levied upon their lands they would keep their farms clear of weeds, because they could not afford to do otherwise.

230. But sometimes you get bad farmers?—Well, they would have to suffer for it. You cannot tell a man how to manage his own business.

231. But the land belongs to the Crown, and that is different altogether from an ordinary business?—I do not think the land belongs to the public at all. I believe every man should own his own land.

232. You would grant the freehold?—Yes, certainly, with the restriction that the annual rental value is collected by the Government by means of taxation. I do not think the question of title has much to do with it.

233. *Mr. Matheson.*] Do you think it would be wise to give all Crown tenants the right to purchase, but still collect the rent?—I would give the title to the freehold only when the annual value of the land and the amount of Customs duty derived were even.

234. And in cases where the tenants have already paid to the Crown the capital value of the land, do you propose to refund the capital value?—No, because the Government does not sell the future unearned increment; it sells the present value.

235. Suppose the Government sold a thousand pounds' worth of land to-day, it would be selling value which had been created by them in the past. Have you ever known of a tailor going into a city and buying the goodwill of a business for, say, £100?—Yes.

235A. And, then, in another twenty years that goodwill will be worth £1,000, owing to increasing value. Do you think the Crown is entitled to that £900 of increase?—No, because the tailor has laboured himself.

236. Do you not realise that a farmer often increases his capital value on his place by his own labour?—Yes, and he is entitled to that.

ALEXANDER DEWAR examined.

237. *The Chairman.*] Do you hold land?—Yes, I hold about 60 acres in the country, and close upon an acre in town. It is freehold in each case.

238. In what part of the country is your land?—At Waiwera.

239. Are there any remarks you wish to make to the Commission?—I would like to say to any of those who hold that the value of freehold land has gone up considerably of recent years that I will be glad to sell them my land at one-fourth of the price I paid for it forty years ago. I approve of the freehold, or of leasehold with the right of purchase. I think nothing else will satisfy the human mind. If a person gets a leasehold, especially on the terms under which leaseholds are now offered by the Government, not only is the individual injured, but the country which borrows the money and sends away interest every year to the money-lender is also injured. I consider the lease in perpetuity is calculated to reduce the holders of land under that tenure to a state of serfdom. They cannot be called free men, and the man who will take a lease in perpetuity and saddle posterity with it for that time I think ought to be in the lunatic asylum. When the Matanata Estate was first offered I inquired into it, and got a pamphlet giving all particulars. The estate was reported to be capable of carrying nearly two sheep to the acre. The first section I come to contains 156 acres, and the person who leases that has got to pay £52 19s. 8d. a year rent. There is nothing upon that land except that two sides of it are fenced, and the tenant has got to fence the rest, sink his well, build, and buy stock. There are some trees on it, but the tenant does not cut a limb of it without the Commissioner's authority, and I say under the circumstances no one can make a living off that, and even if he could he could only be regarded as a serf, and his descendants must be serfs also. It means that in 999 years they have got to pay £53,960 for the right to occupy that

land, and the tenant runs the risk of losing the whole of it if he neglects to pay a quarter's rent. I say the whole thing is wrong in principle, and such a system should never have been foisted on the settlers of the country. I was brought up in the Dominion of Canada, and all the land on a certain island there was at one time held on lease for 999 years. There was not an acre of freehold. The proprietors lived in England, Ireland, and Scotland. Now, in Matamata there is nothing but poor land, while on this island I speak of three-fourths of the land contained timber. There was enough timber upon it to pay the rent for fifty years, and every acre that was put in cultivation was very fertile. You would think that under the circumstances the people would have been perfectly satisfied and would never grumble, but they certainly were not satisfied. They worked away until they found a means of getting the freehold. The Government purchased the land, and gave every farmer the freehold on his paying 5s. per acre. I was there two years ago, and there was not a farmer there who does not own his own land. I say this 999-years lease should not be tolerated in a new country, and the sooner the people rise against it and alter it the better it will be for the country.

240. Do you say the settlers on Matamata are paying too much for their land?—I do.

241. Do you think the Government made a mistake in purchasing this estate for close settlement?—I do, under the circumstances.

242. *Mr. McLennan.*] Do you think leaseholders, as a rule, improve their property as well as freeholders do?—I cannot tell you.

243. Have you improved your 60 acres?—No.

244. Then the freehold is no good if you do not improve it?—That is bad reasoning.

245. *Mr. Forbes.*] You consider the tenants are paying too high rent for the sections at Matamata?—Yes.

246. Do you think that the Government are making a profit out of it?—I have not entered into that. I only know they are charging the settlers a good deal more than they gave for it.

247. *Mr. Matheson.*] What is the name of the island you were speaking of where the land was at one time under lease for 999 years?—Prince Edward Island.

248. Were they prospering under the freehold tenure when you were there two years ago?—Yes, the freehold was given sixteen years ago.

CALEB WOOD examined.

249. *The Chairman.*] Do you hold land?—Yes; but I came here more particularly to represent my son, who holds 14,000 acres in the Tarawera Survey District on pastoral lease—twenty-one years' lease from the Crown. About four years ago I was in that district, and saw that this land was unoccupied. I waited upon the Land Board, and ultimately the land was put up for selection with other lands adjacent. It is of very poor quality, as a rule, and water is scarce. Therefore, the land was put up in considerable blocks in order to give access to water. During the last two years my sons have ploughed 50 acres of land, fenced it in, built houses, and fenced an orchard, and put stock on the land. This morning the Commissioner of Crown Lands stated that our pastoral leases are not similar to the leases in Canterbury and Otago. I have been in both those provinces, and I say advisedly that the leases in the district I speak of are not tussock land but fern land, which require a very much larger outlay. During the last two years we paid the railways £140 for carrying the stock and other requisites for opening up the land. My sons have asked me what advantage it is to them to make improvements on the land, seeing that those improvements will ultimately go to some one else. The land is twice as hard to bring into cultivation as the land in Canterbury and Otago, and I would suggest either that there should be a valuation of improvements made at the end of twenty-one years, or that the period of the lease should be extended. Why should such conditions be attached to the land as debar young men from putting their whole life into it while there? The land is not of bad quality, and if the land in that locality, both Government and Native land, were brought into occupation the advantage to the railway would be very considerable. For instance, we had two hundred pounds' worth of wool brought away from that property last year. I think that some encouragement should be given to every person who will take up land at these places, far away from the centre of population. There are other leases in the locality the holders of which have wanted to give them up, because they cannot make them productive without the lands being fenced. I do not hold with theorists to come here to tell us about how the land should be occupied. I would say to those men, "Go upon the land yourselves, and at the end of ten years you will be better qualified to say what the system of tenure should be." It is the men who goes upon the land and puts his life into it who most deserves consideration from the Government. Every settler becomes a user of what is produced in the town. In the past the people of this country, and of the towns especially, have benefited by the progress made in the country districts. It is not so very many years ago that flour cost £24 a ton in the Auckland market simply because the land was not occupied, and yet the workers received no better wages than they do to-day. Now, thanks to the opening-up of the land, the workers in the towns get their food at half the former prices. The city workers seem to think that the country settlers are the only persons who have benefited by the progress of settlement. They forget that every settler who goes into the country has necessities to supply, and those necessities must be met by the workers in the town. I maintain that the interests in the city and the country are collective and cannot be severed. I object to the people of the city dictating to the country settlers as to what the tenure of land should be. The country people on their part do not dictate to the city as to what the rate of wages shall be. I maintain that the tenure of land should be on whatever system the selector desires. If he is a poor man give him a piece of land on lease if he wants it; if he is a rich man and wants a freehold let him have it, but in a limited area. There should be no fancy tenures; let the tenure be whatever the selector thinks will suit him best. The question of the settlement of Native lands is another important factor in the problem. In the dis-

trict I speak of there are blocks of 8,000, 10,000, and 20,000 acres held by Maoris, and not producing a penny, though they could be made to produce great wealth. Our railways would not carry all the produce that could be obtained from those districts. I am informed that during the last two years the traffic on the Rotorua Railway has increased threefold. If all this country were settled the needs of the people living upon it would give the town workers ample employment, and we should have such a condition of prosperity as never before existed.

250. *Mr. McLennan.*] Are your sons entitled to compensation for improvements at the expiration of their lease?—Only for three years' rental.

251. Are they not entitled to any valuation for grassing?—No.

252. Would your sons be satisfied if at the expiration of lease the land were put up again by arbitration, their improvements conserved to them, and a revaluation made for their rent?—They would be most agreeable to that. It would meet their case.

253. *Mr. Forbes.*] Do you not think that the city dweller should have as much voice as the resident in the country in saying how the land of the estate should be disposed of?—He has just as much interest as the country resident has in saying how the question of wages should be dealt with, and no better right. I would not be averse to the city man having a general voice in the matter, but when you come to particularise in regard to the occupation of land, I maintain that where there is such a disinclination to go upon the land every facility should be given to the country settler.

254. Is there that disinclination to go upon the land?—Notoriously so. I am speaking in regard to the population of the towns generally.

255. Do you not know that in the ballots of some improved estates they are competed for tenfold and a hundredfold?—That is in consequence of the sons of farmers desiring to get land, and not so much because of people wanting to go out of town.

256. Do you not consider that the prosperity of the cities depends largely upon the lands of the colony being made productive, and not kept idle for speculative purposes?—That is my whole purpose in coming before the Commission. I believe that every acre of land occupied is a benefit to the people of the town.

257. Do you not think, then, that the resident in the town is justified in demanding some voice in making the land laws of the colony so as to prevent land being locked up for speculative purposes?—I do not think there is any great detriment to the country while the Government are taking every possible means to meet the needs of those who desire land.

258. *Mr. McCardle.*] Have you watched the ballots for bush lands in this district?—Yes, and I am informed that there has been a considerable amount of dummyism, and that should be stopped.

259. Will any man dummy on purely bush land where there are no roads?—I think it is very possible that he might be employed by another who desires to get the timber on the land.

260. But on the land that I speak of in the King-country there is no milling timber?—Yes, but in the Kaipara district there has been dummyism.

261. Do you think that the advances-to-settlers system is in the interests of settlement?—I do. It is the most humane system that was ever introduced into this country.

262. Do you think it ought to be extended?—I do.

263. And that its administration should be made more liberal?—I cannot find fault with the administration. A friend of mine, who had a family of ten children, spent five years on swamp land before he got any returns. His sons, sixteen, eighteen, and twenty-two years of age, had to sell their 8 lb. of butter a week to provide themselves with groceries, and in their determination to succeed they lived on dripping, and succeed they did.

ALEXANDER FINLAYSON examined.

264. *The Chairman.*] Are you a landholder?—Yes; I hold about 800 acres of freehold at Maungaturoto.

265. Have you any matter you wish to bring before the Commission?—As so many townspeople have given evidence I have been asked to put forward my views. When eighteen years of age I went into the back blocks, and I have been there ever since. Every young man who will go back and do what I did ought to get 100 or 200 acres of land free from the State, and will then have paid dearly for it. For instance, I have carried on my back every Saturday a full week's provisions—carried it twenty miles, and if Mr. Fowlds and some of the others who have given evidence here had done that they would be better able to give an opinion on the question of land-tenure. The labouring-men of New Zealand are making great complaints, but there is no country in the world that has treated the labouring-man better than New Zealand has done. New Zealand is the best place I know of for a labouring-man, and one of the worst for a poor man who wants a piece of land.

266. *Mr. McCardle.*] Do you advocate the right of purchase?—I do.

267. And do you consider that you are advocating a principle that wedds the people to the land?—I do.

268. And one that is calculated to bring about the best results as regards settlement and the development of the resources of the colony?—Yes.

269. Is it not a fact that when you took up bush land it had no value: that your labour has made it what it is to-day?—Yes, my labour and that of my neighbours.

270. You require a tenure that will enable you to procure money at the lowest rate of interest?—Yes.

271. With the right of purchase, is a working-man more likely to succeed on the land than with the lease in perpetuity, which is not looked upon by the money-lender as a sufficient security?—Yes; my experience is that the idea of the men on the land is that they are wanting the freehold, and they are making every effort to get it. One of their reasons is that they do not want to be paying rent all their lives.

272. Suppose the produce you have taken from the land and the price of the land to-day were put together, would you have earned a fair wage if you had both those in your pocket to-morrow? Just about, I think. I believe that any young man who likes to go on a fair piece of land can make himself independent in twenty years.

273. Is it not a fact that a man earns but little on bush land in his youth: that it is only when he comes to the years when he should retire from labour that he is making profit from the land?—That is true.

274. *The Chairman.*] Leaving sentiment aside, do you think the lease-in-perpetuity settlers desire to acquire the freehold?—Yes, by far the greater number of them.

275. And do you think it would be in their interest, and also in the interest of the State, that they should be allowed to do so?—Certainly.

ALDER FISHER examined.

276. *The Chairman.* Do you hold land?—Not at present, but I did for about twenty-five years.

277. What do you wish to say?—If I have any preference it would be for the lease in perpetuity with periodical valuations, or for a freehold. I am not particular which, though I would take a lease in preference. For the average man who wants to take up a farm £400 is a very fair capital. If he has to purchase land he would get land of very good average quality for £1 an acre. He would thus have to part with, say, £200, or half his capital. Then, he would have to board his family in town, because he cannot take them on land such as I first went to, for there was no track to it. I had to buy a punt to take my stores up, and to carve my way on to the land. That was in 1865, in the Kaipara district. I had to pay wages in putting up a shanty on the land, and in that shanty I lived for eighteen months, when the house was destroyed in burning off. I had to log-up the land, grass it, and fence it, put up another house, and buy stock. The chances are that it will cost the settler £50, and he cannot hope for any return for two years. All this time he has to keep his family in town, and this exhausts the whole of his capital. Consequently he has to apply for accommodation to the money-lender in town. These are the men who want people to get the freehold, so that they can farm the farmer. These are the men who want to make a catspaw of the Farmers' Union. For this reason I believe in the lease in perpetuity. Under it a man can get his lease and keep the whole of his capital in his pocket, merely paying interest to the State on the value of the land. Then he can make a living without going to the money-lender.

278. *Mr. McLennan.*] Would you apply the valuation to the existing leases, or only the future leases?—Only to future leases. As to present leases, we have made a contract, and cannot get out of it.

279. *Mr. Forbes.*] You prefer the lease in perpetuity to the freehold?—More than that, I deny the right of the Crown to sell the land. That right was never given to them by the people.

280. We have not met with any farmer using the land who prefers the lease in perpetuity to the freehold?—No, because they think that the revaluation means that their improvements will be revalued, which is a most iniquitous thing.

281. Would you have confidence that any revaluation of any property you held would be fair and equitable?—I would.

282. *Mr. Matheson.*] When the State sent a valuer to assess the value of your improvements would you expect him to put in his improvements all those things which he could see?—Far more than he can see. If I am on your land and drain it that is more than you can see.

283. How would he arrive at that?—He can look at my book.

284. Would it be reasonable to take a farmer's books as the basis of valuation?—Yes.

285. Have you ever known a case where twenty farmers clubbed together and put up a dairy factory, which increased the saleable value of the land by £1 an acre: in a case like that do you think the Government Valuer should put down that £1 increase as unimproved value or as improvements?—I do not know.

286. Would he not be "stumped," just as you are, and very puzzled to know what to do?—It is a very puzzling question.

287. *Mr. McCardle.*] You assume that there is only one clause under which a working-man can take up lease in perpetuity?—If he has limited capital that is the only one. Some people seem to forget that he has a saleable interest in his lease.

288. But under the lease in perpetuity he can only borrow at a higher rate of interest: does not that handicap a man?—Not at all.

289. Would you let him struggle along for want of capital?—He would not struggle, because he has his capital in his pocket.

290. Do you not think that a man should be able to borrow £100 for stock if he wants it?—Yes.

291. Why, then, handicap him with the lease in perpetuity, with the higher rate of interest it entails?—The Government are not charging 8 per cent.

SAMUEL COCHRANE MACKY examined.

292. *The Chairman.*] Do you hold land?—I do not. I simply want to express my opinions as to land-tenure and other questions of over fifty years standing. So far as the lease in perpetuity is concerned, I consider if a man wishes to change his tenure to occupation with right of purchase, or to actual purchase of the freehold, it would be advisable to let him do it, on condition that he pays the additional rate of interest, and also compound interest, so as to put him on an equality with the man who took up his land under occupation with right of purchase. In taking up land now I think it would be advisable in a great many cases where the optional tenure is

allowed that the purchase of the freehold for cash should be done away with. Then you would make sure that there would be no land speculation. At the last sitting of the Commission in Auckland a question was asked as to what would become of future generations if the Government sold all its land. But the same question would arise if the Government parted with all its lands under lease in perpetuity or in any other way. Unfortunately, we are not going to get people in the country so readily. This evening something has been said about the unearned increment. One member of the Commission asked the last witness to whom would belong the increase of value created by the starting of a co-operative dairy factory, and the witness hesitated. Under the circumstances I would not have hesitated; the increment undoubtedly belongs to the farmer. I contend that on farming land there is no unearned increment. The farmer has earned it, and earned it very hardly. While a man in town is working forty-odd hours a week, the man in the country is working sixteen hours a day, in the summer, at any rate. Again, it has been asserted that the increment belongs to the people. But what about the decrement. Take the history of the Waikato. After the war land there was bringing good prices; then it suddenly went down. Wool declined in value, and there were no butter factories and no frozen-meat export trade, and the result was that a great many people sold their land for less than half what it had cost them. I know of one instance where a property that had cost £12 was sold for £4 10s. It was only when we got the refrigerator and the cream-separator and when we started our dairy factory that prosperity came. These changes, and not the increase of population in the town, were the cause of the increase in the value of land. The farmers could get on without the towns so long as there were wharves here for the shipment of their beef and mutton and wool and butter to Great Britain. For that reason I have been advocating for years the abolition of protective duties, in order that the farmer may have a better chance, especially at the present time when we must have preferential tariff with Britain, and the only way we can get it is to give her something in return. In my opinion, there cannot be two questions as to land-tenure. I believe that the occupation with right of purchase is the best system. In the early days the Provincial Government of Auckland gave 40 acres of land to every adult emigrant. Then, there was John Ballance's Homestead Act, which would have worked well only for the wave of depression that came along. If that Act were in force now I believe it would be a good thing for the colony.

293. *Mr. Forbes.*] Do you consider that the question of land tenure should be left to the country settlers?—In a great measure

294. Is it wise to leave these matters in the hands of the persons interested: are they not likely to have laws passed which would give them a certain amount of extra favour?—Possibly you are right there. This country has been run lately by the trades-unionists; the farmers have had no show. I want to see the farmers have an innings now.

295. Is it not better that the whole community should take an interest in these questions and see that they are justly and equitably administered?—Undoubtedly.

296. Should not the farmer take an interest in labour questions, and the labourer take an interest in land-tenure, so that the land should be made as productive as possible?—That is exactly what I find fault with at the present time. The farmers are paying the piper, and the other people are dancing. They are not content in getting so much benefit for themselves, but they are interfering with the farmers.

297. Is it not a fact that the farming community have never been so prosperous as at the present time?—The position is better than it has been; but you must remember that we are competing against the lowest priced labour in the world—Siberia 5d. a day, and the Argentine 10s. a week. The Argentine can send Home enormous vessels filled with chilled meat—not frozen meat such as we have to send—and put it on the London market in splendid condition.

298. *Mr. McCardle.*] What you object to is not the towns taking an interest in the land laws, but you think they ought not to propound the land laws that should govern the man who is a practical worker, and who has the practical difficulties of farming?—You have just put the matter as I would have wished to put it.

299. *The Chairman.*] Do the farmers leave commercial matters to the Chamber of Commerce?—Yes.

300. And you think that the settlers of the country know more about land-tenure than the Chamber of Commerce do?—I do.

WILLIAM BRIERLEY examined.

301. *The Chairman.*] Do you hold land?—No; but I know something about land. I have been in this country for a good number of years, and for many years I was a director of the Land and Building Investment Company. In that capacity it was my duty to visit properties both in the city and suburbs, and also in the Waikato, so that I have a fair idea of the requirements of the country and what it produces, and of the difficulties the farmers had to contend with. There are two ways of looking at the land-tenure question: what is best for the individual and what is best for the State. It may be better for the owner of a property to have the freehold, or the right of obtaining that freehold. I wish to speak principally in reference to the land set apart for working-men's homes near Auckland. It has been stated that the land has been poor. I admit that it is not first-class land, but its position is very suitable for the purpose to which it is devoted, and the prices are not excessive. In the Methuen Township the most distant sections are only six or seven minutes' walk from the road or railway, and the fare from the settlement to Auckland is only 2s. a week. That practically brings it, as regards expense, only a hundred yards outside the junction of Symonds Street and Kyber Pass Road. The journey to the city occupies only about thirty-five minutes. I have heard it stated that the unsuitability of the land for gardening purposes and the inability of the selectors to obtain the freehold are the objections to working-men taking up allotments. In my opinion, it is the conditions under which the land is leased that prevent it from being taken up. The first condition is that the applicant shall not have £300 capital. In the

first year he has to put up a dwelling worth £30. The Government will make him a loan of £50. In the second year he has to get the land fenced. He has to hold the land for twelve months before he can obtain his lease. The selector cannot put up a decent building for less than £225, so that the conditions has been the means of causing a lot of hovels to be put up at a very low cost. They are not comfortable to the occupants, and they are no benefit to the district. In area the sections range from $1\frac{1}{2}$ acres to 2 acres, and the rental runs from about £4 a year to about £6, which cannot be considered excessive. The area is large enough for anybody, if not too large. The lessee is not supposed to let any portion of his holding, and he is unable to borrow upon it, and consequently most of the sections still remain idle. What I would suggest is that the Government should build houses for these people worth, say, £220. They could have the building insured for the full amount and make the lessee pay the premium. Under such a system men with families would be able to go upon the land, and you would have fifty persons balloting for each house, and the best working-men in Auckland would be running in numbers to get possession of such desirable dwellings. There are also other lands in the vicinity of Auckland that could be settled under such a system as I have sketched, but few men will take up land under the present conditions. The lease in perpetuity is quite as good as the freehold, with the further advantage that the lessee does not require to spend his capital in the outset, but has it available for improvements. His contract with the State is just as binding as a Crown grant, for it is issued on the same authority, and no law can alter it. Of course, it is still open to the State if need be to take the property, but it would have to pay full compensation. The leasehold tenure is suitable for the great number of people who have not the means of buying land for cash, and it is much better to be a tenant under the leasehold system than to be under the thumb of a mortgagee. I understand that a petition is being presented by some of the people in the hamlet, setting forth their desire to obtain the right of purchase. Some of these people have said to me, "Is it not as well for us to have the right of purchase? Some of the sections have 600 ft. of frontage, and cost us only £4 a year. That means £80 for the section. In a few years' time that land may be worth £1 a foot, and then we can get £600 for it, and pay off our £80 and have the rest to ourselves."

302. *Mr. McLennan.*] Would you say that the present demand for the option of the freehold is due to the desire to acquire the freehold and then sell it?—They would have that power, and they would use it.

303. Can you say as a positive fact that that is their object?—No; but they would have the opportunity.

304. *Mr. Matheson.*] Do you think the Government would be wise to build £200 cottages for all the workmen who applied?—Not for all, but they could do a great deal by supplying some.

305. If they build for one why not for another?—I do not think that is a fair question.

306. Would it not be better to do the thing in a wholesale way instead of in a single instance?—I do not mean that the Government should only build one cottage.

307. Would you propose that the rent should increase as time went on?—No.

308. Would it be the same rent for a thousand years?—Yes.

309. *Mr. McCardle.*] Would you create a sinking fund in connection with the rent to pay off the loan the Government had advanced on the building?—Yes.

310. You also said that the Government could take the lease in perpetuity from a settler, the same as they did under the freehold system, by paying him the value of his improvements?—Yes.

311. It has frequently come under our notice, and we know it from practical experience, that the improvements as valued by the State are far below the value that they have cost the settler—they may have cost the settler twice the amount that he is credited with in the way of improvements, so that if the Government took over the lease the tenant would possibly get only one-third or one-half of the actual improvements he had put on the land during the term of his tenancy: would that be a fair thing?—No.

312. How would you arrive at the value of the improvements?—By having competent men to judge.

313. Under the present system the Government allows so much for bushfelling and grassing, and so much for fencing, and so much for buildings: for instance, they allow £2 5s. per acre for bushfelling and grassing, but a settler may not have a good burn, and he may spend another £3 in clearing the surface and bringing the land into an improved condition, and he gets no valuation for that?—I look at the matter in this way: the very fact of the Valuer knowing that the land was under bush at one time will enable him to estimate the value of the improvements, and what it has cost to clear and improve it. My opinion is that the leaseholder should be allowed to know that the land is his. He should not be treated in the way he is at present.

314. *The Chairman.*] In regard to workmen's homes, if such a scheme as you advocate were given effect to, do you think the workmen would be disposed to go out four or five miles and pay a reasonable rent and occupy the cottages?—I think so. I feel certain they would, because they could walk in ten minutes to the train and come to Auckland in thirty-five minutes.

GEORGE JOSEPH GARLAND examined

315. *The Chairman.*] Do you hold land?—I hold 500 acres of freehold at Awitu. I have also half an acre in the Grey Lynn Borough.

316. What do you wish to bring before the Commission?—I believe entirely in the freehold tenure, for the simple reason that I have acquired what I have now for the purpose of, if possible, leaving it to my posterity. Every man should do the best he can for his children, and I am imbued with the opinion that land as we hold it is one of the best things that could be left to a family of children. That is my individual opinion. I believe that no man should be restricted in the right of taking up land under any of the tenures which the Government under the various Land Acts have given us. The one which I prefer above freehold is the occupation-with-right-of-purchase system, but the lease in perpetuity is a useful tenure to many who wish to go into the

back blocks. But, what I complain of is that large blocks of land have been thrown open and only one tenure has been available—namely, the lease-in-perpetuity system. That has been claimed by the Minister of Lands only to apply where minerals exist, but that contention, to my mind, has not been satisfactorily cleared up. I refer more particularly to the blocks of land in the Kawhia district. If a man wishes to take up land no obstacle should be thrown in his way. I think the present restrictions of 640 acres of first-class and 2,000 acres of second-class land are reasonable and in the right direction. I think the Land Boards should be elective. I think there is plenty of room for improvements in the Boards as we know them. I have no individual quarrel with any of the members of the Auckland Land Board, but I think it would give greater satisfaction if the Land Boards were elected, perhaps by the local bodies. Certainly some representation should be given to the Crown tenants. I think it would be a very great advantage if workmen's homes were put on better lands. In the Auckland District they are at present on poor land, but if the right of purchase was given I believe, even poor and all as it is, it would be readily taken up. I think the passing of the Advances to Settlers Act was calculated to give a great deal of relief to a great number of people, but, from my experience as a trustee in an estate, I find there is a great deal of difficulty in getting the office to accept money to liquidate a loan. They charged our estate six months' interest, although we gave them notice we were ready to pay the money on a certain day. I understand the same thing has happened in other cases. With regard to the freehold, I believe every British subject desires to possess it. I came to this colony as a child, but I soon became imbued with the opinion that I could not put my savings in a better place than in freehold land, and I naturally did that.

317. *Mr. McLennan.*] Have you improved your 500 acres of freehold?—Yes.

318. Are you living on the land?—Not now. I went there as a boy, and I worked on it for twenty-five years, and now I am taking a well-earned rest.

319. I believe you are secretary of the Farmers' Union?—Yes.

320. Are you representing them here?—No, I am not. I am representing myself and my own private opinions.

321. Was a petition sent to you from the Crown tenants some time ago demanding the freehold?—Not that I have seen. It may have been sent to Mr. Wilson, the general secretary of the union, but it did not come to me.

322. Can you say it did not come to your union?—I cannot say it did not come to our union, but it did not come to me, and I have never heard of it.

TE AROHA, TUESDAY, 13TH JUNE, 1905.

JOSEPH NATHAN examined.

1. *The Chairman.*] Are you a landholder?—I hold a Government lease of a town section at Paeroa.

2. What is it you wish to bring before the Commission?—I wish to get the freehold of my section, and I understand it depends on the findings of this Commission whether or not we will get the freehold. I may state that there are ten sections in the block in which my section is situated, and the position is as follows: Nos. 1 and 2 are freehold, No. 3 is leasehold, No. 4 is freehold, No. 5, which is mine, is leasehold, and Nos. 6 to 10 are freehold. I have been gridironed in there with a leasehold whilst my neighbours on all sides are freeholders.

3. Have you the same claim to the freehold?—I consider I have as much right to have the freehold as the person on each side of me. They have been granted the freehold by the Government.

4. Was your lease exactly the same as their lease?—Exactly the same as theirs was, but they have been granted the freehold and I and others have not. I have only stated the position in one block. There are something like twenty or thirty of us in exactly the same position, and, of course, the Commission can readily understand that having a leasehold, and only four or five years to run, buildings which cost about £1,400 are going to rack and ruin because I cannot spend money on them until I know what my position is to be.

5. Did you anticipate that you would get the freehold?—I always understood I was going to get the freehold. I have that in writing. I was informed that these leases were to be put up to auction by the Government and sold. But that was not done. This is a copy of the notification:—

“Department of Lands and Survey, District Office, Auckland, 29th June, 1904.

“Mr. J. Nathan, Paeroa.

“*Criterion Theatre.*

“As it has been decided by this Department to hold an auction sale of lots in the Paeroa Township at Paeroa, I should feel obliged if you would be good enough to inform me whether I can have the use of the Criterion Theatre one Thursday in August, or early in September, to hold the sale. If so, will you please let me have an early reply, with full particulars regarding hire of hall, &c., in order that I may complete my arrangements.

“JAS. MACKENZIE, Commissioner of Crown Lands, per J.P.”

I replied, stating the terms, and got this reply:—

“Mr. J. Nathan, Paeroa.

“21st July, 1904.

“*Criterion Theatre.*

“I HAVE to acknowledge receipt of your memo. of the 5th instant, having reference to the hiring of the Criterion Theatre for the purpose of holding an auction sale of Paeroa lands therein, sale to be held one Thursday in August or September next. I have to state that you will be notified in the course of a week or two of the date of sale.

“JAS. MACKENZIE, Commissioner of Crown Lands, per J.P.”

I may explain that they wrote me as agent for the theatre. We have not yet been notified. A deputation of the leaseholders interviewed the Premier recently, and he told us that it depended on the finding of this Commission whether we were to get the freehold the same as it has been granted to these other people. I may also tell you that it was through the agitation of the people at Paeroa that the Government purchased this land from the Natives, and they have given the freehold to some and not to others. I think it is very important that we should have the freehold. We cannot improve our property, and our buildings are going to rack and ruin, because in a little over four years the leases fall into the hands of the Government, and we lose our improvements. Again, if we want to borrow, of course, we cannot do it. It is impossible to raise any money on the leasehold as it now stands. We were told by the Government that if we surrendered our leases they would then grant us the freehold. We did surrender our leases, but we have been granted nothing. I have the letters referring to the surrender of the leases. Here is one:—

“ District Office, Auckland, 8th February, 1904.

“ Mrs. M. A. Nathan, Paeroa.

“ *Re Sections W5 and W18, Block F1.*

“ In reference to the application made by the leaseholders in the Township of Paeroa to the Government, requesting that the lots be submitted for sale by public auction loaded with the value of improvements, I have to inform you that, before you can be given an opportunity of acquiring the above land as freehold, it is necessary for you to sign the enclosed form, in the presence of a witness, and return it to this office on or before the 29th February, 1904. The land will then be submitted for sale by public auction at an upset price of £140, loaded with the value of improvements to the amount of £650. The arrears, which now amount to £1 17s. 6d., must be paid to the Receiver of Land Revenue, Auckland, forthwith.

“ G. MUELLER, Commissioner of Crown Lands.”

The conditions in that letter were complied with, and the arrears of £1 17s. 6d. were paid, and the applications were signed. This was the next letter I got:—

“ District Office, Auckland, 21st March, 1904.

“ Mrs. M. A. Nathan, Paeroa.

“ *Paeroa Leaseholds.*

“ I BEG to acknowledge receipt of your memorandum of surrender of Sections W5 and W18, Block F1, Town of Paeroa, and, in reply thereto, I have to state that if you have mortgaged the land, or leased it, or part of it, to sub-tenants, such surrender can only be accepted upon your forwarding to this office the written consent to the surrender by all sub-lessees or mortgagees (if any), together with your lease indorsed with the word “surrendered,” and signed by yourself and duly witnessed. On receipt of these documents the date of sale of the section by public auction will be fixed. In the event of a non-sale of the section, the acceptance of your surrender does not in any way bind the Crown, or make it liable for the value of the improvements, and the lease will then continue to run to the end of its term, unless other arrangements are mutually agreed upon between yourself and Government.

“ Kindly forward above-mentioned documents as quickly as possible in order to expediate the sale of Paeroa land.

“ G. MUELLER, Commissioner of Crown Lands.”

6. You simply asked the Government to put the leases up to public auction, reserving to the lessees the value of the improvements?—Yes.

7. Did the other lessees acquire their freehold by public competition?—No. The Government gave them the freehold at the time the Government bought their interest from the Natives.

8. *Mr. McCardle.*] Did the Government offer any reason why they refused the right of purchase?—No. All we were told was that the Government could do nothing until they had heard the results of this Commission's deliberations.

9. How long is it since the freehold was granted to the holders of the other sections?—Between five and six years ago.

10. On what conditions were they granted: was a fixed price agreed upon by both parties?—Yes. A fixed price was paid in cash and land to the original owner of the lease from the Natives.

11. You are satisfied you complied with the conditions that the Land Board laid down?—Certainly.

12. And what you want now is that the Land Board should fulfill the contract they entered into with you?—That is right.

13. Other people are in the same position as you are in?—Yes.

14. So your case covers all the persons who are interested in the same way?—Not exactly. It governs a good many of them. A number of them have appointed gentlemen to speak on their behalf.

15. Have the Land Board given you any reason why the sale was postponed?—Nothing further than I have read to you.

16. *Mr. Forbes.*] What is the length of your lease?—I think it was originally for twenty-one years, but the unexpired portion is four years from the 1st February next.

17. Can you give any reason why the Government sold all the freehold of the land around you and left your leasehold sections there?—I cannot, except that the person who owned the land originally was bought out by the Government, and given so-much cash and so-much land, and he was allowed to select his land, and, of course, he gridironed it in the manner I have shown you. That has happened all over the town.

18. Have the Government given anybody else besides this man the freehold?—I do not know of any other case.

19. And the Government offered the rest of the land to the public on twenty-one-year leases?—No. They only got it for the unexpired portion of the lease then running. When I bought my predecessor out I understood that in a very short time we were all to receive the freehold of our sections from the Government. At that time an agitation was going on to get the Government to buy out one or two men, who held all the land on purpose to give the others the freehold. The Government bought out these people, but they did not carry out the rest of the bargain and give us the freehold.

20. Is all the land built on?—A large proportion is. All the freehold sections are built on, but no man will improve his leasehold.

21. Is there any compensation for improvements?—In the event of my section being put up for public auction, any one bidding over my head will have to compensate me to the extent of £650, which is the Government's valuation of my improvements.

22. At the expiry of your lease, what happens?—The lease falls into the hands of the Government, and I lose all.

23. And you receive nothing from the Government?—So I understand.

24. Did all the leaseholders who received the letters you read comply with these conditions?—That I cannot say. I believe a large proportion did.

25. *Mr. Matheson.*] Can you think of any excuse that might be put forward on the other side?—None at all.

26. Do you think our decision will in any way alter the validity of the promise you received?—I think it depends on your findings whether the promise is carried out.

27. *Mr. McLennan.*] Did the occupants of Sections 7, 8, 9, and 10 have the leasehold of their sections previously the same as yours?—Yes, and their sections would have fallen into the hands of the Government at the same time as ours if the Government had not bought them out and given them the freehold.

28. Is there any difference between your leasehold and their leasehold?—No. They were the same leaseholds originally.

FREDERICK COCK examined.

29. *The Chairman.*] Do you hold a section similar to the last witness?—Yes. My section is No. 21 of Block G1.

29A. Have you anything fresh to state in regard to these leases?—Yes. I will read these letters:—

“ District Office, Auckland, 8th February, 1904.

“ Mr. F. Cock, Paeroa.

“ Re Section SE21, Block G1.

“ In reference to the application made by the leaseholders in the Township of Paeroa to the Government, requesting that the lots be submitted for sale by public auction loaded with the value for improvements, I have to inform you that before you can be given an opportunity of acquiring the above land as freehold it is necessary for you to sign the enclosed form in the presence of a witness, and return it to this office on or before the 29th February, 1904. The land will then be submitted for sale by public auction at an upset price of £25, loaded with the value of improvements to the amount of £40. The arrears, which now amount to £3 15s., must be paid to the Receiver of Land Revenue, Auckland, forthwith. This includes other portion of lease.

“ G. MUELLER, Commissioner of Crown Lands.”

“ District Office, Auckland, 8th February, 1904.

“ Mr. F. Cock, Paeroa.

“ Re Section SE2, Block G1.

“ In reference to the application made by the leaseholders in the Township of Paeroa to the Government, requesting that the lots be submitted for sale by public auction loaded with the value of improvements, I have to inform you that before you can be given an opportunity of acquiring the above land as freehold it is necessary for you to sign the enclosed form in the presence of a witness, and return it to this office on or before the 29th February, 1904. The land will then be submitted for sale by public auction at an upset price of £75, loaded with the value of improvements to the amount of £200. The arrears, which now amount to £3 15s., must be paid to the Receiver of Land Revenue, Auckland, forthwith.

“ G. MUELLER, Commissioner of Crown Lands.”

I have been in the neighbourhood of Paeroa for thirty years, and know all the particulars connected with the township. It was originally leased from the Natives, and was afterwards sold to the Government. It was sold because we were all agitating to get our freeholds. A deputation, of which I was one, waited on the Premier a short time ago, and these are his remarks as reported in the newspaper: The Premier said that “ no one Minister had a right to make promises to the people that would change the whole policy of the Government with respect to the whole or any portion of the colony.” He also said, “ They thought they had a promise from the Minister of Lands that the freehold was to be sold; but the Government could not be bound by every promise made by Ministers ”; and later on he said, “ It would be inadvisable, in face of the Commission at present sitting, to come to any definite conclusion.” If the Commission will call for the papers dealing with the alteration of the boundary of the goldfields to include Paeroa, and then cutting it out again after they had purchased the freehold, they will see that this lease was purchased by the Government so as to enable the lessees to get the freehold. If the papers are produced you will have a lot of information before you to show that we are quite within the bounds of reason in asking for the freehold. We have been fighting for this for years, and people are gradually leaving the part of the town which belongs to the Government and going to where they can get the freehold. The buildings on the leasehold are going to rack and ruin, and the leases are so

short that we cannot get insurance on them. The Commission will therefore see the awkward position we are in.

30. *Mr. Forbes.*] Could you have got the freehold from the man you were leasing from before the Government bought the land?—No, because it was held from the Natives. That is the reason why the Government came in and bought. It was expressly at the wish and instigation of the lessees that the Government bought the land. Mr. Cadman, when he was our member, promised he would do all in his power to get us the freehold.

31. Have the Government granted the freehold to any one else besides the man from whom they bought the lease?—Yes; to the Bank of New Zealand, for one. A question was asked just now whether we could form any idea as to why the Government should not give us freehold. The only idea I can form is this: that the Premier has a great antipathy to part with the land. He says that the land is the people's inheritance, and that we have no right to part with any of it. If that is so, then we have no right to be here, because the land belongs to the Maoris. There is no reason I know of why we should not get our freehold. Other people have got theirs. The present position is greatly retarding the progress of the district.

32. *The Chairman.*] Is there any other matter you wish to state?—I appear here in a dual capacity. I also represent the Thames Valley Dairy Factory, comprising 159 shareholders, who regret very much the Commission did not sit at Paeroa to enable them to give evidence. As their mouthpiece, they desire me to say that they are entirely in favour of freehold or lease with the right of purchase. I believe in the freehold, for the simple reason that every man, no matter how small his section is has then an incentive for perseverance and energy. The freehold makes him a loyal citizen and a good neighbour. I think there should be an alteration in the law regarding Native-land dealings. I think that it is quite time the Natives were put on the same footing as Europeans in regard to the dealing with their lands.

JOHN BORRIE examined.

33. *The Chairman.*] What are you?—I am a settler at Waihou. I hold 800 acres of freehold.

34. What is it you wish to bring before the Commission?—I represent, with another gentleman, the local branch of the Farmers' Union. I only wish to say that, with one exception, the members of our branch are entirely for the freehold or the optional tenure. We say, give a man the freehold when he feels that he is able to pay for it, but give him every opportunity to get on the land in the meantime. The following are resolutions adopted by our branch in regard to Land Boards: We reckon we have a serious grievance against the Land Boards as at present constituted, and these resolutions express what we would like to see adopted. They are as follows: "(1.) That the power of forfeiture now exercised by the Land Board and Minister of Lands be withdrawn. (2.) That the power of forfeiting any settler's holding shall be vested in the Supreme Court. (3.) That in the event of the Board wishing to forfeit, the settler interested shall be cited to appear before the Court; the Land Board to show cause why forfeiture should ensue; the settler to have an opportunity to state his own case. (4.) In the event of forfeiture the Court to declare the amount of compensation, if any, payable to the party forfeited." We see at the present time in Auckland and in all the leading districts that amalgamated labour have secured an Arbitration Court to look after their interests, and if an employer tries to "skin" a boy or girl of 6d. per week in contravention of an award that boy or girl can go to the Arbitration Court, with a Judge of the Supreme Court presiding, and obtain redress. But in the case of a Crown tenant, who may have spent years of labour and hundreds of pounds on his section, the Land Board have power in the event of any slight default to confiscate that man's property, and he has no redress from them. It seems rather hard that a settler should have no protection. I know of several cases in this district of this kind, and if as many have happened in the different land districts as I know of here it is a serious business. I took up a deferred-payment section twenty-five years ago. The land was put up at £2 per acre at that time, and I am within the truth when I say it was not worth 10s. per acre. I paid four years' instalments on that land amounting to £90. After a time my money got short, and I knocked off paying. After that a Revaluation Bill came in, and the land was revalued, and the price was reduced to £1 5s. per acre. I maintain that when the agreement was broken the settler had a right, as they had in other parts of the colony, to have a say as to the value of this land. When the Government reduced this land to £1 5s. per acre they were selling their own land at 10s., and private land and improved land was also selling at 10s. per acre. I would not pay the £1 5s., and the last communication I had from the Land Board was to the effect that if I did not pay up by so-and-so proceedings would be taken to compel me to pay. That was what I wanted. I wanted an opportunity to state my case. Instead of that, they quietly forfeited my section without notifying me. It was forfeited nearly six months before I knew. I found the section was not only forfeited, but posted up to be sold within fourteen days of that time. The price put on it was 15s. per acre, and my improvements were chucked in, although, according to the official valuation made by the Lands Department, they amounted to £176. This was in addition to the £90 I had already paid. I offered them £1 per acre for the land, but they would not take it, and they put it up at £15 less money than I had already paid for the land. I had no remedy against them. I consulted a solicitor, and he told me he thought I could claim for the improvements, and he would hardly believe me when I told him that no allowance was being made for my improvements. But, on inquiry, he found that the section was not loaded with my improvements.

35. When did this take place?—About six or seven years ago.

36. What was the reason for the forfeiture?—Non-payment, of course; but there was a difference of opinion about the amount of money due. I did not want to lose the land altogether, and when Mr. Seddon was in Auckland I applied to him to get the land withdrawn from sale, which he did. Then I applied to the Land Board to rescind their resolution of forfeiture, which they

very kindly did, and the upshot of the matter was that before I got the section, which the Land Board had offered for £75, I had to pay £153 8s. 10d.

37. What amount was due for rent?—£35 11s. 6d., and I had to pay interest on that to the extent of £16 17s. 3d. before I could get the section. It had run on for fourteen or fifteen years.

38. This is the form sent out now: "*Re arrears of rent.*—Referring to my previous notices sent you for non-payment of rent amounting to £ : : , being half-yearly payments, I have to state that at present I do not intend to bring the matter before the Land Board, but I should be glad to know what proposals you have to make, say, within one month from this date; and also a statement as to your circumstances, as I am most anxious to meet you in any way that is reasonable; also, if you cannot pay the whole amount, perhaps you could arrange to pay at least a portion of it. If, however, the rents remain unpaid, of course, I shall be reluctantly compelled to take further steps for the recovery of same, although I trust that this course will not be necessary in your case"—That may be so. I believe things are altered for the better now. They charged me £16 17s. 3d. for interest, and from what I can read of the Deferred-payment Act, they cannot charge interest at all. All the settlers capitalised their payments, but I never would, and never did, because the settlers were then liable for interest. Therefore I do not think I was liable for interest.

39. *Mr. McCardle.*] Capitalising really meant wiping off the outstanding debt, and the bare value of the land then stood against you, and a rate of 25 per cent. was charged, and when you capitalised you got all the credit for that, so that it would carry on your rent three or four years?—I never capitalised.

40. No doubt, yours was a hard case, but I think things have changed now?—Yes; but it shows how the Land Board can act. I can give you another case. I had a neighbour—Jack Jones, a blacksmith—who took up a section. After a time he could no longer work at his trade, and he went to Matamata, where he was offered a job as groom. The Land Board came down on him and forfeited his section for non-residence. That man came back and tried to mollify the Land Board by spending his earnings on the place in improvements. But they would not be mollified, and they turned him out, and that man died a little while ago in Te Aroha of a broken heart, and his wife has been a charge on charitable aid ever since.

41. *Mr. Forbes.*] Have there been any instances of such treatment recently?—I have not heard of any. I think things are different now; only the powers of the Land Board are the same now as they were then. I think before forfeiture takes place the matter should be heard before the Supreme Court and evidence taken publicly, so that people would know how they were standing. It should not be decided on the whim of some fellow who has a bit of political pull.

42. How many members of the Farmers' Union do you represent?—We had about fifty members last year. The books have not been made up this year, but there would be a slight increase.

43. Are many of them Crown tenants?—A good few.

44. Are those lease-in-perpetuity tenants?—Yes.

45. Were they all at your meeting?—Yes.

46. Are they anxious to get the freehold?—Yes, bar one, who is here, and will be able to give you his reasons.

47. Do they wish the freehold at the present value?—Yes, with the addition of the 1 per cent. they had the advantage of by taking the land under lease in perpetuity.

48. *Mr. Matheson.*] You say the upset price of your section was £2?—Yes.

49. Did you apply to the Crown for it?—Yes.

50. And then you broke your agreement by failing to pay the rent?—Yes; but they broke their agreement also.

51. Do you blame them for having forfeited your section when you failed to pay the rent?—I blame them because they charged an exorbitant price for the land.

52. But knowing the upset price was £2, did you not go and ask to be allowed to have it?—Yes.

53. Do you think it wise that these things should be done in a businesslike manner?—Yes. I think when the Government offer land as good agricultural land, and place a high price on it, they should be compelled to give good agricultural land.

54. *Mr. McCardle.*] The sections which were overcharged for were reduced in price, and that being so the breach of contract was on the part of the Government to begin with?—Yes; it was done by the Auckland Land Board. In other parts of the colony it was done differently, and the prices of the sections were reduced according to their real value; but the Auckland Land Board, which messes up everything, passed a resolution that all the lands in the district be reduced by a certain amount, irrespective of whether the amount that was being overcharged was much or little. No one came round to revalue any of the sections, so far as any settler knew, whereas in the south, the cases were properly heard and considered by the Land Board. The settlers could be at the Land Board office to object to their valuations if they liked.

JAMES BUCHANAN THOMAS examined.

55. *The Chairman.*] Do you hold land?—Yes, I hold 294 acres under lease in perpetuity and 200 acres of freehold. The lease is at Rangiatea and the freehold at Waihou. I am chairman of the Farmers' Union, and I can confirm what the previous witness has said about the resolutions passed. We think these matters should come before a Judge of the Supreme Court, or that the tenants should have some Court of Appeal. It is true that all the regulations in connection with land are not strictly enforced, but if it happened that the Ranger was not a sensible man it might go hard with us. We think these cases should come before some impartial tribunal, before which evidence could be heard on both sides. We think if the Land Boards were partly elected by the local bodies we should get men who understood agriculture, and who would see that the interest of the farming community were looked after better than they are by some of the men appointed by the Govern-

ment that happens to be in power at the time. I believe our union almost to a man is in favour of allowing option of tenure, so that a man could take up land on any tenure he thought fit. If a man has taken up a section under occupation with right of purchase, we think if he happens to have had a good year and has managed to save £50 or so, he should be allowed to pay that much off. In that way the Government could get their money back, and they could use it either in the purchase of more land or in opening up by means of roads the valuable Crown lands still unoccupied.

56. When you ask for the right of purchase, do you include lands that have been acquired by the Government for settlement?—I have had very little experience of the Land for Settlements Act, but I think if the extra percentage is paid—that is, the difference between the lease in perpetuity and the occupation with right of purchase—no one would be injured, and most people would be satisfied.

57. Do you pay 4 per cent.?—No, 5 per cent. My section is on an improved estate.

58. The occupation-with-right-of-purchase holders pay only 5 per cent. and you pay the same percentage: do you think if the Government grant you a better tenure you should pay something extra for it?—I fail to see why we should pay anything extra for it. The money the Government obtained for acquiring these estates is on the same footing as the money for advances to settlers. It seems to me that we are paying a little more in the way of rent here than they are in other places.

59. *Mr. Forbes.*] Has your land been rented too highly?—The lease-in-perpetuity sections in some parts are charged at 4 per cent. We have to pay 5 per cent.

60. All land under the Land for Settlements Act is at 5 per cent.?—I did not know that.

61. When you went in for these sections, did the settlers object to the lease-in-perpetuity tenure?—If we could have got it on any other tenure we should not have taken it up under lease in perpetuity.

62. Do you think the lease in perpetuity deters people from going in from ballot?—I do. It would be more difficult to sell a lease in perpetuity than a freehold.

63. If it had been offered on freehold or occupation with right of purchase, would it not have been more difficult for you to get your section?—Possibly.

64. Is there any profit being made by the Government out of the interest on that estate, which covers to a certain extent the risk they are taking?—By allowing the tenants to pay off they would gradually extinguish their debt, or they would have the money available for buying further estates or for roading the country.

65. *Mr. Matheson.*] Do you think it right that a private landlord should be allowed to evict a tenant who does not pay his rent?—Yes.

66. Why, then, should you want a tenant to have the opportunity of taking the case before the Supreme Court if the Crown evicts him for failing to pay rent?—A private landlord would have to take a tenant to the Supreme Court to do so, would he not.

67. Why do you think the Crown should do it?—If we were sure that the Rangers would always be reasonable men, as our Ranger is now, the question would not trouble us: but this man will not live for ever, and we might get a man who would take a narrow view of the regulations.

68. Have you ever known of a tenant being evicted for some trivial reason?—No. So far as my experience goes the present Land Board and the Rangers are reasonable enough, but it is possible we might get in people who might abuse their position.

69. Seeing that we have thousands of tenants on the land, does it not seem to you that it would put them in too secure a position if they had to be taken to the Supreme Court before being evicted for a breach of their agreement?—I do not think so, because they would have to pay costs if they lost their case.

70. Would it not be better to take more trouble to insure that the Land Board was reasonable and efficient?—I do not see how you could be certain of getting that, and I think it would be better for both sides to state their case.

71. *Mr. McLennan.*] Would you be prepared to pay the present value of your land if you were allowed to acquire the freehold?—No, because I should have to pay for my own improvements.

HERBERT OSMOND COOPER examined.

72. *The Chairman.*] Do you hold land?—Yes, I have 231 acres under lease in perpetuity at Rangiatea.

73. Is there any matter you wish to bring forward which has not been dealt with by previous witnesses?—I wish to say, first of all, that Mr. Thomas, who is a neighbour of mine, stated that he did not know of any case of forfeiture for non-payment of rent. That seems a curious thing, because my own section was forfeited.

74. Is that the section you hold now?—Yes.

75. What was the reason for the forfeiture?—Arrears of rent, but I do not want to go into an old matter now, because the present Commissioner has rescinded that resolution, and I suppose I can say I am “as you were.” I agree with the previous witness that it would be better if we had some independent Court to which these matters could be referred. I have a large family, and I had to build a house and do other things, and what with one thing and another my rent went into arrears against my will. I have had no trouble with the Rangers, as they have always complimented me for everything I have done. There is one matter in connection with the Advances to Settlers Office I should like to refer to. I applied to the office for a temporary loan, and they sent their valuer to value my property. I only applied for £90, because I just owed the Land Board some little amount and a few other local debts, and I wanted to get level and feel my feet. I had put up a seven-roomed house, two chimneys and iron roof, and when the valuer looked through the house he said he had no need to go any further than the house, as all I asked for would be

granted on the house alone, although there were other improvements, such as fencing, draining and grassing.

76. What value did he put on it?—I do not know. I was not in his confidence, but the loan was refused.

77. Did they offer you anything?—No.

78. Was there any reason given?—Not at that time. I saw while the Commission was sitting down south one witness said that he had his application money returned to him, and so I wrote and asked that my 2s. should be returned to me. I then got the reason why a loan had been refused to me. They wrote back and said they only returned the application fee when it was not used, and that the reason they declined the loan was that the valuer had only put £70 on the improvements. Just lately we have had a good deal of trouble and worry in connection with the Land Board, and I thought it would be as well to get rid of my holding. I am satisfied so far as my tenure is concerned, but I asked the Board to send their valuer along to value my improvements, and that gentleman valued them at £650.

79. *Mr. McCardle.*] Are you quite sure that the valuation was £70?—I am only quoting the reason the Board gave me.

80. Were you indebted to the Land Board at the time?—Yes.

81. If there is anything owing to the Land Board they do not advance anything. I think you would have seen that if you had read through the paper upon which you made your application for a loan, but it seems an extraordinary thing that the valuation of your improvements should have been only £70, and the case ought to have been reported to the Board?—The name of the valuer was Mr. Casey. If you will permit me to add that when the valuer for rating purposes, Mr. Garrett—I think his name was—came here a few months afterward I mentioned this matter to him, and he said, “Are you quite sure of what you state.” I said, “I am quite sure.” He said, “Surely you must be wrong,” and he asked me whether there were any arrears. I told him that I had applied to the Advances to Settlers Office in order to clear off some arrears, and he said that it was very strange, because I should have had £125 on the house alone. I may say that I used to live at the Thames, and the Farmers’ Union there have asked me to represent them here to-day, and to state that they are to a man freeholders.

82. *Mr. Forbes.*] Before the Board forfeited your section, did you write to them stating your position and asking them if they could give you more time, or did you defy them?—There is nothing of that about me. I wrote to them again and again, but I am glad to say we have had a change in the head of that Department, and that has made a great difference to me. He has just rescinded the motion, and he said he hoped things would now be satisfactory. I am satisfied with my tenure, only if I could get “tin” enough I should like to make it my own.

83. It has been represented to us that if tenants will approach the Board and state the true position, and the Board see that a man is trying to do his best and is not trying to defy them or shuffle, they will never be hard on him: It is extraordinary that in this part of the country there should have been so many instances of tenants being treated in this way?—From my own experience I believe a good deal of this worrying does not come from the head of the Department at all, because on one occasion I received a telegram of forty-two words marked “Urgent,” and signed for “Gerhard Mueller.” The man who really signed it was an understrapper, because Mr. Mueller was away at Kawhia with Mr. Seddon. The telegram stated that if my arrears were not paid by Saturday my section would be forfeited by Monday morning. Before church-time on Sunday it was all through the district that my section had been forfeited. However, I am not going to complain, because we have now a new head of the Department.

84. How is the Rangiatea Settlement doing?—Fairly well. We all have to turn to flax-cutting when rent-day comes along to enable us to raise the rent.

85. Is the land worth the money you are paying for it?—It is reasonable I think.

86. Has the land gone up in value, do you think?—It should have done, seeing that we have put about 14s. an acre into it in manure. My own land was a very poor section when I took it up.

87. Has the land all been taken up since the ballot?—Yes, but a good deal of it has changed hands. Some of it two or three times.

88. Has any goodwill been given for it?—I am not in a position to say.

89. *Mr. Matheson.*] How many half-years’ rent were you in arrear when your section was forfeited?—The amount in arrear was £42, and a half-year’s rent of £17 7s. 4d.

90. Was it a forfeiture or a threat to forfeit? The Board you say passed a resolution that your place would be forfeited if something was not done, and the resolution was rescinded?—It was not rescinded because I did something. I think it was rescinded on account of that valuer coming round and seeing the place for himself, because he is one of those men who are few and far between.

91. *The Chairman.*] Do you hold that no threatening notice should be sent out unless signed by the Commissioner of Crown Lands himself?—I think it would be superfluous for me to say how the Land Board should conduct its own business. But I do not think the signature of a Commissioner should be put on with a stamp, as seems to be the case sometimes.

EDMUND WILLIAM PORRITT examined.

92. *The Chairman.*] What are you?—I am a solicitor, practising in Paeroa. I appear for twenty-six Paeroa leaseholders, who are asking for the freehold. I am also aware from my own knowledge that all the remaining lessees for whom I do not appear are desiring their freeholds. I was present at a meeting at which they were asking for it. I have some correspondence here in reference to the sale of the Paeroa Township, which I will read for the information of the Commissioners. The following was sent to all the lessees:—

“Department of Lands and Survey, District Office, Auckland, 28th May, 1904.

“Re Surrender of Section , Block , Paeroa Township.

“In reference to my memorandum to you of the 21st March last, I have to inform you that unless your lease endorsed ‘Surrendered’ this day of , 1904, and signed by yourself and witnessed, and signed also by *all* sub-lessees or mortgagees (if any), is returned to this office on or before the 11th June, 1904, your section (or holding) will be omitted from the first sale by public auction of the Paeroa Township lands.

“G. MUELLER, Commissioner of Crown Lands.”

Arrangements were made for the sale as detailed by Mr. Nathan. On the 23rd June, 1904, the following telegram was received by my partner:—

“WHICH is the best day in the week to hold the sale of Paeroa Township lands at Paeroa, and also give the name of hall. Kindly reply. Collect.

“J. MACKENZIE, Commissioner of Crown Lands.”

A reply was sent to that, and arrangements were made with Mr. Nathan as deposed by him. On the 6th July, 1904, the following telegram was received by my partner, Mr. Mueller:—

“DATE of sale of Paeroa Township is to be fixed in Wellington.

“HUGH BOSCAWEN, for Commissioner of Crown Lands.”

That was the last we heard of it. All the lessees had their leases returned to them, the greater number of them through me, with a notification that the Government did not intend to put the sections up for sale, and a demand for arrears of rent for the twelve months which had not then expired. This was the form of notice which was forwarded to the lessees for their signature:—

“Paeroa, , 1904.

“To the Commissioner of Crown Lands, Auckland.

“I, , the lessee of sections , Township of Paeroa, hereby agree to accept the value of improvements amounting to £ : , and bind myself to forthwith surrender the lease of the above lands to the Commissioner of Crown Lands for the purpose of having the said lease terminated and duly cancelled.

“ , Lessee of the above sections within the Paeroa Township.

“Signed in the presence of .”

93. Was there any reason assigned by the Department for the withdrawal from sale?—No. I have only seen from the newspaper what was said to the deputation, of which Mr. Cook formed one: that it was a matter which would have to await the decision of this Commission. With respect to the title to the block, it was originally Native land leased to Jackson and Russell, solicitors, Auckland. They assigned their lease to Messrs. Cassrells and Bennett, and they subleased to the lessees. The matter has been before the Government, to my personal knowledge, for the last eight years, and all the time they have been led on in the hope that freeholds would be obtainable. Some time previous to this the Government purchased the Native interest, and Messrs. Cassrells and Bennett became tenants of the Crown under the Native lease. Owing to pressure brought by the leaseholders, Mr. Cadman, who was then Minister of Mines, brought about the purchase of the lessees' interest by the Government, and we were always distinctly led to understand that that was for the purpose of giving those people the freehold. Certain sections were granted as freeholds prior to the lessees' interests. The Bank of New Zealand section and another section were cut out of the Native title before the Government acquired the interest, and the position is as detailed by Mr. Nathan and Mr. Cook. Most of the tenants are now arranging to remove from their sections on to freehold sections down in the lower part of the township. They are voluntarily leaving what are good sections to go and reside in what is practically swamp so as to own a bit of land. The buildings and so on are falling into decay. They have no heart to do any improvements. The insurances are getting into jeopardy, and they cannot raise money. On the strength of these representations some of them had made arrangements to borrow money, and they paid interest on it all the time so as to have money available to purchase the freehold when the land was put up for sale. They also made all arrangements for discharging their mortgages and getting the consent of the mortgagees and the consent of their subtenants. That is all I wish to say about Paeroa. Now, for the information of the Commission I will read the following list of the different methods of holding land in our district:—

Crown and Land Board Titles.—Land transfer; land transfer, subject to mining or resumption for mining; deeds register; deeds register, subject to mining or resumption for mining; occupation with right of purchase; perpetual lease, and variations of same (under the Land Act and under Land for Settlements Act); lease in perpetuity, and variation of same, or subject to mining or resumption (section 121, Land Act, 1892); occupation leases under “Mining Districts Land Occupation Act, 1894”; Hauraki pastoral licenses, under regulations of 2nd March, 1905; village homestead special settlement leases.

Mining Titles.—Business sites held under Mining Acts, 1886, 1891, and 1898; business sites subject to conditions as to resumption for mining, &c.; residence sites under Acts of 1877, 1886, and 1891; residence sites under Act of 1891, with conditions as to resumption for mining and restrictions of various kinds; residence sites under Act of 1898; residence sites under Act of 1898, with conditions as to resumption for mining and restrictions; proposed township leases under “The Mining Act, 1898,” section 39 (not sure if any have been obtained in Ohinemuri); special sites for various purposes connected with mining; occupation licenses under “Mining Act, 1891” (about done); agricultural leases under “Mining Act, 1891” (about done). No mention of the various titles for mining or minerals.

Native Titles.—Land transfer with pakeha title: land transfer without restrictions; land transfer with restrictions as to sale and mortgage; land transfer absolutely inalienable; land

transfer, subject to mining under the Ohinemuri agreement, proclaimed 6th July, 1875, and section 35, "Mining Act, 1898"; deeds register without restrictions; deeds register with restrictions of various kinds; land held under memorial of ownership, orders on investigation of title, &c.; lands leased to Europeans; lands occupied by Europeans under incomplete titles, recognised by Native owners, but cannot be completed owing to state of the law, or awaiting means of having title confirmed; Native land held under customs and usages, the title of which is not ascertained.

Miscellaneous Titles.—Paeroa leaseholds, with four years to run from 1st February next: Lipsey Town, Te Aroha (all improvements have to be left for Native owners, and the business sites subject to revaluation every twenty years); endowment lands, such as High School reserves, &c., over which Government has control, wholly or in part; High School Board leases, no compensation for improvements; European lands, subject to Ohinemuri agreement of 1875; special settlements, such as Gordon, Tairua Block (under "Tairua Land Act, 1893"); simple squatting, where cannot get any title at all, and where the buildings and improvements are assigned from one to another as chattels; big blocks held by private companies or bodies, such as Kauri Timber Company reserves. Nearly all these titles are calculated to make occupiers unsettled, they being liable to disabilities and resumptions of various kinds.

It is considered these tenures might be simplified and reduced. There are too many of them. With regard to the mining titles which are held for residence and business sites, the feeling is practically generally in favour of some form of surface freehold with the mining rights preserved. We have instances of that already in the district. With regard to the Native lands, I am speaking for both Natives and Europeans on the matter, because the Natives have represented to me strongly that they would like a free hand to deal with their land just as Europeans do with theirs. There are a large number of Natives who, as regards area of land, are wealthy, while as regards means they are paupers, and they have to borrow a few pence when they want anything. It is recognised throughout the whole district that the amount of Native land lying idle is keeping the district back. There is another question in regard to which I know the feeling of the district. Timber on Crown lands in goldfields is sold under two different authorities. Timber sold by the Warden is treated as goldfields revenue, while timber sold by the Land Board is treated as territorial revenue. The feeling is that the whole of the mining timber should be sold by the Warden, and should be goldfields revenue, and used for the purpose of opening up roads to goldfields. Goldfields revenue is paid by the Government to the local bodies. There is a feeling among a number of those who have taken up mining district occupation licenses that the valuations upon which their rents are based are excessive. In some cases the payment of a few years' rent exceeds the value of the freehold. Only recently the Land Board allowed the cost of survey to be credited to the lessees as rent paid in advance, but it was found that was *ultra vires*, and they have to pay survey fees as well as their rents, and in most cases it is a hardship. There is a feeling among a large number in regard to revaluation. They are afraid of it. I know a good many instances myself. I will just mention one, where a person who took up an occupation license under the Mining Act at £3 an acre, and brought it from tea-tree waste into pasture, at the end of his license had that same land valued at £6 an acre per annum, and got two acres of it out of his fifteen. It is such instances as this that have created a strong feeling in favour of a surface freehold on the goldfields.

94. *Mr. McCardle.*] Are the leaseholds for which the freehold is desired within the mining area?—No, they are excluded from the goldfield.

95. Would there be any difficulty in the Government legislating to grant the freehold of land within a goldfield, and reserve to the Crown the minerals contained therein?—No. At the Thames the Grahamstown portion of the borough is freehold, and the Warden still has power to grant mining rights under that freehold.

96. Then, there is not much in the argument that the freehold cannot be granted in a mining district?—I do not think so.

97. *Mr. Forbes.*] Does the Warden allow miners at the Thames to go upon the worn freeholds and carry on prospecting?—No; they have to purchase the surface rights.

98. Then, the moment the freehold is granted it prohibits prospecting?—Yes, in the townships.

99. Are the Paeroa leaseholders working on the old leases?—Yes.

100. When the Government bought out the rights of the lessee did they issue fresh leases to their tenants?—No; they kept them on under the old leases, only that instead of paying rent to Mr. Cassrells they paid it to the Receiver of Goldfields Revenue. The Crown became the assignees of the lessor.

101. Would it be wise to give the Natives a free hand in dealing with their land: are they sufficiently advanced to be able to conduct business transactions?—My experience is that they are harder people to make bargains with than Europeans.

102. Would there be no danger in allowing them to sell their land and do as they liked: would there not be danger of their becoming a burden on the State in the future?—I think it would be wise to make reservations for them. They are very improvident.

103. Would it not be better for the Government to take over their land and place the purchase-money to their credit, allowing them interest on it?—I think that would be a good plan. The trouble with them in the matter of dissipating their capital is that they have so many relatives and dependants, and when a man once gets some money they cut it up with him. Maoris cannot make provision for a rainy day, owing to their communistic system. It would be necessary to issue any money that was due to a Maori at intervals.

104. *Mr. Matheson.*] Do you think that the first step in solving the Native-land difficulty is to make individualisation compulsory, and make the cost of it a charge upon the land?—I think it would be a good thing if the Native titles were individualised.

105. When we are granting freeholds for the purpose of settlement does it not seem reasonable that the Crown should in all cases reserve the rights to the minerals?—Personally, I do not see any objection. On the goldfields that is the very form of tenure we are advocating.

106. Do you think that all leases, private as well as public, should contain a clause giving the tenant compensation for improvements?—I think it would be only fair.

107. What, in your opinion, was the real reason why the Government did not keep their promise in regard to the Paeroa Township?—It is impossible to say. I would like to know myself, but it is a puzzle.

108. *Mr. McLennan.*] Supposing the Natives were allowed to realise on their land: do you think they have practical common-sense to make as good use of the proceeds as a European would?—I know of instances where an individual Native could do so, but as a whole I do not think they have the power.

109. Is there much Native land in this part of the country?—A great deal.

110. Is not dealing with Native land a very tedious operation?—One of the most disheartening things you can do is to try and buy out a Native title.

111. Would it be fair to the Natives to give them, say, five years to establish their ownership, so that the land could be individualised and dealt with?—I think something like that should be done. A number of the Natives are coming forward voluntarily and getting their titles individualised, so that they can deal with the land.

112. Would it be reasonable for the Government to insist upon fixing the ownership within a given time?—I think that if the Native title were individualised it would improve the position of the Natives themselves.

113. Would you give the Natives a free hand in selling their lands?—Yes, subject to the reservations for their own use. We can see the difference between the Native land and the freehold in our district. One is waste land—all tea-tree and swamp—and the other is in grass, and in other ways improved.

114. The condition of the Native land is a serious drawback to settlement?—A very serious drawback indeed.

115. And there are no rates from them?—You cannot collect rates from Native lands.

116. *Mr. McCardle.*] Is there not rather a drawback to individualisation in the fact that after it has taken place you require for any transaction to get the signature of a great number of individual owners?—In some cases it would be impossible to get all the signatures. I know of one block of 13 acres to which there are 139 owners. In our district if leases could be obtained the whole of the Native land could be taken up.

117. Do you think that would be satisfactory to the settlers? Will they take up the land on lease?—If they cannot get freehold they will take leases.

118. Then, it would not be necessary to individualise the titles?—Not in all cases.

119. *Mr. McLennan.*] If you gave the Natives a free hand in selling their land would you let them have a free hand in the spending of the money?—In the majority of cases that would be safe enough, but I know of a great many in which it would not.

120. *Mr. McCardle.*] Are there not a large number of Natives receiving old-age pensions now, though they own thousands of acres?—I know that a great many Natives are receiving the pension, but I am not aware that they own land. I also know that a great number of Natives are worse than paupers. They have become beggars, although they own very large areas of land.

ALLAN ALFRED BOWLER examined.

121. *The Chairman.*] Do you hold land?—I have a section of 367 acres at Matamata, for which I pay 5s. 3d. an acre.

122. What special matter do you wish to bring before the Commission?—At the time the Matamata land was thrown open twenty-six sections were reserved of which occupation was not given till the 1st October, but, still, rent was charged for the preceding three months. Most of the selectors of those sections thought that there must be some mistake; it was not quite clear from the pamphlet that they would have to pay rent from the 1st July. They thought it ought to be from the 1st October, when they would get possession. At the time of the ballot a question was put to the Commissioner of Crown Lands, who said he thought there must have been some oversight on the part of the previous Commissioner, but he was going to Wellington and would inquire about the matter. We never heard whether anything was settled in Wellington. I have been told that the Commissioner stated at Matamata that the rent would have been lower if the land had not been in turnips. In the pamphlet issued before the land was thrown open twenty-six sections were deferred until the 1st October, and of these fourteen had no turnips on them. They were simply held for the convenience of the Assets Board. At the same time that the Government charged this three months' rent to the lessees I am told that the Assets Board was paying interest on the sections for three months. We consider that an injustice has been done to us, and we think that we should have a refund of the three months' rent. One reason why we thought there must be some mistake in connection with the pamphlet was that one of the regulations provided that no native bush or scrub must be cut down without the consent of the Commissioner. In my case I have some 20 to 30 acres of tea-tree land that can produce nothing till the tea-tree is cut down and grass is sown. It seems ridiculous that I should have to refer the matter to the Commissioner before I can cut down the tea-tree, which is the first step towards clearing the land. I wish to indorse what has been stated by the representative of the Waihou Farmers' Union as to the desirability of bringing questions of forfeiture before some kind of Court. I know something about the cases of Messrs. Borrie and Jones, and I consider that a hardship has been inflicted. As to the question of timber on goldfields land, I know, as a member of the Ohinemuri County Council, that for years we have been trying to make roads and tracks into that kind of country. A few years ago some 17,000,000 ft. of timber at the back of the ranges was sold by the Crown Lands Board, and the

local body got no revenue from it, whereas if it had been sold by the Warden the County Council would have got the revenue, and would have been able to make the necessary tracks. The selling of timber rights by the Crown Lands Board is a great drawback to the goldfields district.

123. *Mr. McCardle.*] Was there not a tapering-off in your rent on account of the condition as to the turnips?—No; mine is a good stiff rent compared with the others.

124. What is your idea of the tenure?—I believe in the freehold.

125. On what conditions do you think the right of freehold should be granted you?—On the same conditions on which we took up the land.

126. Do you think that the freehold would be a more valuable tenure to you than the leasehold?—It is always liked more, because it is easier to deal with.

127. Do you not think that in that case the tenant should be ready to make some advance in the price as consideration for the change of tenure?—I do not see why there should be an increase.

128. Then, you do not think very much of the value of the freehold?—I would rather have the freehold.

129. How much would that “rather” be worth to you?—It would be very hard to say.

130. At any rate, you think you are entitled to the freehold without paying any more: you do not think that any injury would be done to the State by granting it?—No.

131. You think that if it makes for a contented population it is worth the while of the Government to grant the option of purchase?—Yes.

132. Would you acquire the property on long terms?—I think it was a wise suggestion that the settlers should be allowed to pay the price in instalments when profitable seasons enable him to do so, and have his rent reduced accordingly.

133. Do you think that for settlement purposes the estate is going to prove a success?—I think it will.

134. *Mr. Forbes.*] You knew that Matamata was offered under lease in perpetuity: did you make any objection to that?—No.

135. Then, your objections were not strong enough to make you go elsewhere for land?—I could get no other land in the district suitable to my purpose. If Matamata had been offered under the optional system I would probably have tried for the freehold.

136. But in that case would there not have been more applicants for it?—I cannot say.

137. Do you think that the fact of its being lease in perpetuity kept people away from it—people who did not care for that tenure?—I do not think it did.

138. *Mr. Matheson.*] What is the amount of the three months' rent that you speak of?—I think it is about £15.

139. Do you approve of the members of the Land Board being nominated, as at present?—No; I approve of the suggestion that a certain number should be appointed by the Government and the rest by the local bodies.

140. Do you not think that the members of the Land Board are as fit to decide whether a settler's grievance is reasonable as a Judge of the Supreme Court?—I think it would be better to let each side state its case before a Judge, and let the Judge decide whether there is sufficient grounds for forfeiture.

141. You would prefer to leave the decision to one man rather than to a Board?—It has been shown this afternoon, and I also know of my own knowledge, that great hardships have been inflicted, and there ought to be some remedy.

142. Do you not think that a Judge of the Supreme Court would read the Act rather more strictly than the Land Board does?—His rulings would be just, whatever they were.

143. Would he not be bound to rule according to law?—I suppose so.

144. Then, according to the law the land is liable to forfeiture as soon as the rent is a year behindhand?—That is provided the question was whether his rent was behindhand. There might be other reasons for forfeiture.

145. *Mr. McLennan.*] Supposing you were to get the option next year, would you be prepared to pay the value of the land next year, your improvements being conserved to you? Suppose, for instance, the land is worth £6 an acre this year, and next year it rises to £8 an acre?—I would not pay £8 an acre.

GEORGE DEVEY examined.

146. *The Chairman.*] Are you a landholder?—I appear as representative of some of the holders of land in Te Aroha Township, and I hold some town sections myself. Our tenure is under the goldfields regulations. At one time we were promised the freehold of our sections. At the expiration of our original titles we were granted by the Government leases for forty-four years, but we still remain under the same conditions as in the case of the goldfields business sites, in that any one could “jump” our holdings if the rent was not punctually paid. I know one man who had paid for his business-site for twenty years and then got his forty-four-years lease, and yet his title was “jumped” by another person. What, then, is the use of the lease to us? The effect is that we cannot borrow money on our property, because we have no stable tenure. If we go to the Government they also refuse to make advances. Twelve years ago we were negotiating with the Natives for the purchase of the freehold, but the Warden stepped in and stated that if we allowed the Government to buy out the Natives we would be given the option of acquiring the freehold. The Government bought out eleven Natives, but still they do not grant us our freeholds. We are thus at a disadvantage, and we do not feel inclined to improve our properties, and that is why Te Aroha does not make progress. The town had no right to be included in the goldfields, for it never was a goldfield. As matters stand one-half of the town belongs to the Government and the other to the Maoris, the pakeha Maoris. I have an allotment on which I have paid £5 a year for twenty-five years, and I am paying to-day £3 a year under the forty-four-years lease, which, however, is literally useless, because if I do not pay up I am likely to be ousted.

147. *Mr. Forbes.*] In reference to the "jumping" case of which you speak, in what way was the "jumping" done?—It was done by the tenant of the lessee. He found that the lessee had not paid his rent, and therefore "jumped" his title under the goldfields regulations. The tenant was held to be the residential occupant of the property. The Warden said that the transaction was a piece of rascality, but that it was within the law and he could not override it.

148. If you had your forty-four years clear, with compensation for improvements, would not that be satisfactory?—Yes.

149. *Mr. Matheson.*] Was the promise that you would have the freehold merely a verbal promise by the Warden?—That is all.

150. *Mr. McLennan.*] If the township was taken out of the goldfields area, would not the forty-four-years lease be satisfactory?—Yes, in a sense; but we would sooner have the freehold. On these small township sections you do not feel inclined under a leasing system to put up good buildings.

151. Do you not get compensation for improvements at the expiration of the lease?—Not as a rule. Anyhow, at the end of such a long period there is very little value left in a wooden building.

CHARLES ERNEST HANSON ALLEN examined.

152. *The Chairman.*] Do you hold land?—Yes, I hold 400 acres under lease in perpetuity in the Hunterville district, but I was unable to attend the sitting of the Commission at Taihape.

153. What particular matter do you wish to bring before the Commission?—In 1902 I was residing upon a Native lease which I held. At first I had taken up a Government lease of property, to which there was no road or even a track. As I could not get to my own land I took up a Native lease alongside. In 1902 I received a notice from the Wellington Land Board to show cause why I should not reside on my lease from the Crown which adjoins this Native land. I had had the Crown lease cleared and fenced, and otherwise improved, but I was not residing on it. I went to Wellington and saw Mr. Strauchon, Commissioner of Crown Lands, and asked to be exempted from residence under Part III. of the Land Act of 1892, which provides that in case a settler is residing on land adjoining his holding residence may be dispensed with. Mr. Strauchon said that this provision did not apply to residence on Native land. According to my reading the Act does not say anything of the kind. The Land Board at once gave me three months' notice to reside on the land or forfeit it. Next, I received a letter from the Commissioner in about a fortnight asking what steps I had taken to comply with this notice. I replied that I had men at work cutting timber for the house and others making roads to get this timber out, and that I could not see how I could possibly reside on the land within the three months stated in the note. The timber had to be hauled out to the site of the house—a distance of a mile and a half—for which purpose I had to make a road, and then the timber had to be seasoned before being used. I pointed out that it was impossible to comply with the Board's notice and asked for an extension of time, as I was pushing on the work as hard as I could, but it could not be finished within twelve months. The reply to this was that the resolution of the Board had required me to reside on the section within three months or forfeit, and, therefore, it would be necessary for me to make arrangements to do so. I happened to be travelling to Wanganui at the time I received this final notice. When I got to Hunterville I ordered enough iron to make a 20 ft. by 10 ft. hut, and had to pack it over a road that was to the horse's girths in mud. I put up this hut, and had to take my wife out to live in it in the midst of snow and ice. She had to go out because she held the section adjoining mine, and was also required to live upon it. Residence upon my section was held to be sufficient in her case. As my wife was subject to rheumatism I consider it was a cruelty worse than you would find in Russia to compel her to live under such conditions. At this time I was hard up, and in order to go on with further improvements had to raise money wherever I could. First I applied to the Advances to Settlers Department for a loan of, I think, £750. The property was valued by their valuer at about £1,400, though he had not made allowance for the actual value. For instance, fencing, which cost me £1 3s. per chain, and was just newly put up, he set down at 16s. a chain, and other things in the same proportion. The Department offered me only £500, and I was forced to take it. Later on I completed all my buildings and further improvements on the place at a cost of about £800, and then applied to the Board for a further advance. They offered me another £250, but I considered that this was not sufficient and declined it. Next, I applied to a private firm and obtained a loan of £1,000 at 5 per cent., with which I paid the Government off. My wife held a lease-in-perpetuity section of 400 acres, and she also applied for a loan of £300 from the Advances to Settlers Office. I do not know what the valuer's assessment was, but the Department offered her £150, which I declined. My own valuation of this property would be about £800. I went to a firm in Wanganui and borrowed £550 upon it at 6 per cent. Recently I sold my Native lease, and sold it well, but through the action of the Board I consider that I am a loser to the extent of £1,000. My land was loaded with 5s. an acre for roading, and the roading was never done.

154. Do you complain that the residential conditions are unreasonable?—Undoubtedly they are unreasonable, and they are too rigidly enforced.

155. *Mr. McCardle.*] Your section is under lease in perpetuity?—Yes.

156. Is that the section on which you received a loan?—Yes.

157. Is it your opinion that the Land Board of the Wellington District require some amendment?—Undoubtedly.

158. Do you think it would meet the case in that district if these positions were filled by men who had had experience as settlers?—Yes. I may say I am residing on my land. I am only here on a visit.

159. *Mr. Matheson.*] Are you satisfied that the 5s. loading for roads have never been spent?—It may have been spent, but it was not spent there. I am sure of that.

160. When you spoke of making a road yourself, did you mean by means of a loan?—Yes, through the County Council.

161. Have you had any grants for roads or bridges?—Yes; we had a grant of £350 in my neighbourhood last year.

162. Do you think it would be much better if grants were done away with entirely, and subsidies were given in proportion to the amount of rates you levied yourself?—I think undoubtedly it would be much fairer.

FRANK DILLON ALLEN examined.

163. *The Chairman.*] Do you hold land?—Yes, in the Hunterville district. I hold 200 acres under occupation with right of purchase and 400 acres under lease in perpetuity. I am occupying the land.

164. Is there any matter you wish to bring before the Commission?—I know what the previous witness has stated to be quite correct from beginning to end. I would like to say in regard to the residence conditions, that the Land Board have power to dispense with the residence if a settler resides on land contiguous to his lease, and land is deemed to be contiguous if it is only separated by a road or stream, or by such space as the Board may from time to time determine. The Board have also power to dispense with residence where good cause is shown. That appears to me to give the Board almost absolute power to dispense with residence altogether. I think as the Board have been given this power to assist settlement they should use it to assist settlement, and not to retard it. I am quite satisfied, from cases I know in the Wellington district, that the Board's power has been used to retard settlement. That has been the effect although it may not have been intended. There are several people in my district living on land adjoining their own holdings, and these people have been made to shift from one part of their land on to the Government leasehold, although there has been no division between the land except an imaginary line drawn on paper. When the attention of the Land Board was called to the section of the Act I have referred to, they said it meant a settler must reside on Government lands contiguous to his holding. But the Act merely says "land." These people have been forced to build new houses across this imaginary line. I know people who have been induced to throw up their holdings on account of such things as these, and I know of others who have been deterred from taking up land. I think the Board should not be so strict, but should use their discretionary power in the interests of settlement, and should exempt people from residence where good cause can be shown for it. I wish to call attention to complaints that settlers in my neighbourhood have. The old settlers who first took up land, and stuck to it, are at a disadvantage as compared with the newcomers. In what is known as the Hunterville Special Settlements, which contain fifty sections of 200 acres each, there were 150 settlers in these associations. At the present day only sixteen sections are held by the original selectors. These men can only hold 200 acres, but the new settlers who applied for the land thrown up—two or three after the first ballot—were allowed to choose either of the three optional tenures, though the first men could only take up under lease in perpetuity. Further than that the new men were allowed to select up to 640 acres. The consequence is that the majority of the new men took up under occupation with right of purchase or bought for cash, and the original men who stuck to the land through thick and thin are still struggling along under lease in perpetuity. I think they should be put on the same footing as the newcomers. Again, the original settlers are still bound by the special-settlement conditions. Either they have to remain on their holdings, which are too small for that rough class of country, or they must go away. They cannot buy each other out, but if one throws up his land and a newcomer takes it up, then one of the other original selectors could buy that man out. In this respect I think they should all be put on the same footing. I wish to refer to the Advances to Settlers Act, and the difference made by private people in lending money on the different tenures. It is quite clear to me that the people cannot get anything like as big an advance on lease in perpetuity as they can on occupation with right of purchase. The Government again do not help those under lease in perpetuity by advancing the amount which a private individual will if the borrower has the right to acquire the freehold of his land. The Government are in quite as good a position as any private lender would be if his client had the option of purchase. The Government have the land absolutely if they have to foreclose, yet they will only lend up to one-half of the tenant's improvements when there is no right of purchase, but will advance up to three-fifths if the tenant has that right. I do not think there should be that difference.

165. You complain that the Wellington Land Board are rather unreasonable and harsh?—Yes; but I would say the Wellington Land Board have been much easier of late.

166. *Mr. McCardle.*] Did any of your neighbours ever visit the Wellington Land Board and express dissent at their ruling in such cases as these?—Yes.

167. And what sort of justice did they receive then?—In the worst cases they received no satisfaction whatever.

168. I suppose you are aware that the Government had to take pretty strong action, and show they did not wish the settlers to be harassed in the way the Wellington Land Board were harassing them?—I understand it was so.

169. Does that trouble arise through having members appointed to the Board who have no experience whatever of the difficulties bush settlers labour under?—I think so. If they really knew the position they would be much easier.

170. Have not the members of the Land Board passed through that district during the last year or so?—Yes, but they have never been there before.

171. *Mr. Forbes.*] These residential clauses are necessary for settlement?—Yes.

172. It would not be in the interests of settlement to do away with them altogether?—Not altogether.

173. *The Chairman.*] Does not the private money-lender require a much higher rate of interest than that asked for by the Advances to Settlers Board?—Not so far as my experience goes. I am quite clear on that point.

ROBERT MACKIE examined.

174. *The Chairman.*] Do you hold land?—I am a Crown tenant within seven miles of here. I hold 187 acres under perpetual lease. I heard Mr. Borrie mention the case of a man who died here through his section being forfeited. We are in the same box. We were both forfeited at the one time. I took up my land and fulfilled all the conditions to the letter. It cost me a lot of hard work to make a road to the land, and I did a lot of hard work to satisfy the Ranger. The grass I sowed proved a complete failure. I told the Ranger that I thought the regulations were extremely absurd, having regard to the local conditions of the district. Again, the capital value was £1 5s. per acre, and I said it was too much rent altogether, and the Ranger agreed with me. I exhausted my resources and the rent fell £40 behind, and my land was forfeited for non-payment of rent. The rent was reduced to 15s., and I asked if I could take up the land at the reduced rent as from the first day of my occupation to get credit for the rent I paid. The Land Board rejected that proposal. The land was put up and I applied for it, and I was told my application would not be entertained until the 21st September, 1897, when I could apply if nobody else had taken it up in the meantime. I again applied then, and again my application was rejected under clause 160 of the Act of 1892, which was as much as saying I was not fit to take up the land. I replied saying that that clause could not apply to me, because I had been a farmer from my youth up and had had any amount of colonial experience. After a time my land was divided into two sections of 60 acres and 127 acres, the latter being the bush portion. I applied again twice and was rejected every time, and the Commissioner told me it was no use continuing the correspondence. He said I must pay my rent or take the consequences. A third time I applied and my money was returned. It seems another party had bought the land. I said before I would give up possession I wanted some arrangement about my improvements, and I drew attention to the fact that my lease contained an arbitration clause and that I wanted it acted upon. The other man took possession and erected fences, which I cut down twice to allow my cattle out, and for doing this a third time I was sent to prison for a month. I kept in communication with the Land Board, and at last got a letter saying they would reduce the outstanding rent of £40 to £14, and that I could keep the land under perpetual lease. I said I would agree to this if they would give me something for my improvements. I had made a road into the bush where there was a large amount of firewood, for which I had a local market in Te Aroha.

THOMAS MACINDOE examined.

175. *The Chairman.*] What are you?—I am a land agent in Te Aroha.

175A. What is it you wish to say?—I have been asked to state my experience as an agent with reference to the leasehold question. I may state at the present time a number of holdings on the Rangiatea Estate, near Waihou, are on the market. The holders are willing to sell, even at a loss, in order to get clear of the lease and get a freehold. They are prepared to sell at a sacrifice, although land has increased very much in value in the neighbourhood. These farms were taken up, and for the most part are held by the original selectors under lease in perpetuity. I say with scarcely any exception these people are thoroughly dissatisfied with the present tenure. They all hold that they should have the right of purchase. The difference is most marked between the tenures when going through the district. One can always tell which are leasehold farms. The buildings and fences, as a rule, are not as well kept, and the leaseholder does not seem to have the same heart to work his farm.

176. What benefit would these people gain by acquiring the freehold?—They would benefit in having something in which to invest their savings. At the present time they find their families drifting away because they cannot subdivide their property.

177. *Mr. Forbes.*] When you make the statement about leaseholders being slovenly farmers and having no heart to work their land, do you refer to the Rangiatea settlers only?—Yes, as a rule.

178. You said they would sell out in some cases for less than what they have put in the place?—Yes.

179. And, again, you said they want the option of the freehold so that they can put their savings into the purchase of it?—Yes.

180. Do you think if they are making enough money to buy the freehold they will sell out for less than the value of their improvements?—The freehold will give them heart to make the land. The land requires making.

181. What is wrong with the lease in perpetuity; it is secure enough and long enough for all possible contingencies?—Yes, but it is very irksome to have the possibility of revaluation being brought forward. That point has been mentioned, and it has had a very disconcerting influence on a lot of the farmers. If they wish to sell out they very soon find the value of the lease in perpetuity. It is practically valueless.

182. In this district?—Yes.

183. You have had no experience in any other district?—No.

184. When these men went on to the land they knew the conditions under which they took it up?—They did, but they did not know the land was as poor as it is. The land has been in most cases very disappointing. The bulk of the land requires manuring for every crop.

185. Then the estate is not what you could call a very prosperous example of the land-for-settlements policy?—It is not.

186. Was the estate bought in response to representations of the settlers in this district?—I do not think by the settlers in this district.

187. Was any petition got up from here asking the Government to acquire the estate?—I think not.

188. Do you think the Government gave too much for the land?—Yes.

189. *Mr. Matheson.*] Do you think it would be good for the colony if all Crown tenants had the right of purchase?—Yes.

190. How would it benefit the colony?—The money coming from this source could develop the unused lands of the colony.

191. *Mr. McLennan.*] I suppose if they had the option of purchase they could sell out far more freely than they can at the present time?—Yes, and they could also borrow to develop.

192. You are a land agent?—Yes.

193. *The Chairman.*] Is the land you speak of similar to the Waitoa Estate?—No. It is not so good.

FRANK HUBBARD examined.

194. *The Chairman.*] Do you hold land?—I do, in the Hapuakohe district. I and my family hold 1,600 acres of land. It was originally under occupation with right of purchase, but it is now mostly freehold. Some of the settlers are under lease in perpetuity in their districts. As member of the Road Board, it is my duty to go amongst them, and consequently I hear a good deal of the experiences of the settlers there. Having made a freehold of our own land, I need not say we believe in the freehold tenure. The district as a whole all advocate the option of freehold. I only know one man in that district who believes in land-nationalisation, but I can say for him he has taken care to buy a freehold. Those who hold under lease in perpetuity would like to have the right to purchase. They say they have more heart to work if they know they have a chance of making the land their own some day. I have seen frequently, so far as money matters go, that the man under occupation with right of purchase stands head and shoulders above the leaseholder.

195. *Mr. McCardle.*] Are there many settlers holding under lease in perpetuity in your district?—Several; but those are best satisfied who took up under occupation with right of purchase.

196. Do you think it is a benefit to the settlers to have the right of purchase?—Yes. They are more satisfied, and if they need money to develop their land they can always borrow it under occupation with right of purchase.

197. Do you think if the right of purchase was extended to all the settlers they would be prepared to pay something extra for the land?—Under occupation with right of purchase we pay 5 per cent., and those under lease in perpetuity pay 4 per cent., and I have heard them say they would a great deal sooner pay 5 per cent. and have the right of purchase.

198. Have you had any experience of the Advances to Settlers Office?—A good deal.

199. Has it worked satisfactorily in your district?—I cannot say it has always been satisfactory.

PUKEKOHE, WEDNESDAY, 14TH JUNE, 1905.

GEORGE HODGETTS WHITE examined.

1. *The Chairman.*] Do you hold land?—Yes, I have some quarter-acre allotments in this township, some in Auckland, and some at the Thames; all freehold. I am a land agent in this district, and in my capacity as land agent I can say that the preponderance of inquiries received by me are from people wishing to settle on the land with small capital wanting farms on lease with right of purchase, and 60 per cent. of these only have sufficient money to stock and equip a small farm systematically. The Government advances to settlers has undoubtedly greatly assisted the farmers, and has in a large measure been responsible for the prosperous condition of the colony. This district is especially adapted for close settlement, as the climate is suitable for high-class farming, together with rich soil, the tendency being still smaller farms with superior methods of farming giving better results.

2. *Mr. Matheson.*] What is your opinion about land-tenure in connection with Government lands?—I do not think there is anything wrong with the tenure if a man is allowed to select his tenure. But the majority of inquiries are for leases with right of purchase, so far as my business is concerned.

3. There are a great many Crown tenants who never had the choice?—I would be in favour of giving them the option at any time, provided they could find sufficient funds.

4. Would you give that option to all Crown tenants?—Certainly.

5. Do you think it would be good for the colony as well as for the tenant?—Yes I do, but I think there should be certain restrictions.

6. *Mr. McCardle.*] This is a fairly successful dairying district?—Yes.

7. You are aware that the tenants who take up land under occupation with right of purchase have to pay a rental of 5 per cent, while lease-in-perpetuity tenants on Crown lands pay only 4 per cent.: in the case of lease-in-perpetuity tenants, who are allowed to convert into occupation with right of purchase, would you be in favour of their being charged the extra 1 per cent., which they would have had to pay if they had taken up their land originally under occupation with right of purchase?—Yes, and I do not think the tenant would object to that.

8. Have you had any experience of settlements under the Land for Settlements Act?—Yes, I know the system.

9. Would you extend the right of purchase to those tenants?—Certainly, at whatever price it originally cost the Government.

10. In what way would you arrange the payments?—That is a matter of administration afterwards.

11. Would you give them long and easy terms?—Yes; I believe in giving as long terms as possible, even if it went for ninety years in some cases.

12. Are there any large areas of land in this district suitable for cutting up for settlement?—Not close to this particular spot.

13. Will you be prepared to restrict the amount of land that any one man could hold either on freehold or any other tenure?—Yes.

14. Do you think that could be done by an amendment in the Land Transfer Act which would bar any one man from registering in fee-simple over a certain area?—Yes.

15. Have you had anything to do with the obtaining of loans for persons under the Advances to Settlers Act?—Yes.

16. Have there been any unnecessary delays in granting applications?—In some cases I think there have been, but I think it is only due to some little fault in the administration.

17. The Government have been fairly liberal in their advances on freehold?—Yes.

18. *The Chairman.*] Assuming that the freehold is not to be given to tenants under the Land for Settlements Act, would you advocate that a tenant should be allowed to reduce his indebtedness to the Crown, and by that means reduce his rent?—Yes.

19. Do you think as soon as a certain portion of the principal is paid off all restrictions should be removed?—Yes, if it was a fair proportion and sufficient to make it safe for the Crown.

HENRY EVAN ROBERT LUXMORE WILY examined.

20. *The Chairman.*] Do you hold land?—Yes, I hold land at Pukekohe and Mauku—about 1,300 acres of freehold.

21. Is there anything you wish to bring before the Commission?—I am chairman of the Mauku branch of the Farmers' Union, and vice-president for the Auckland Provincial District. I represent a large section of the Farmers' Union on this question. First of all, with reference to the constitution of Land Boards, I may say I have given a good deal of study to this question, because I had to go into it on behalf of the executive of the Farmers' Union when certain complaints were made in reference to restrictions imposed upon tenants. My report on the subject was adopted, and forwarded to the Land Board and also to the Government. I found on making inquiries that in many cases members of Land Boards were unfamiliar with their districts, and I felt that a certain proportion of the members, say, half or third, ought to be elected by the local bodies, which is practically by the ratepayers. With regard to tenure, I am a firm upholder of the freehold. My father, and a good many of our fathers, came out here to obtain a bit of freehold, and I think the best class of settlers we have ever had are the freeholders. I would advocate the granting of the optional tenure in all cases, except in the case of large grazing-runs, which might at some time be cut up for closer settlement.

22. *Mr. Forbes.*] Have your union discussed the lease-in-perpetuity tenure?—Not since the Commission was set up, but previous to that we did discuss it, and we were instrumental in getting a petition signed for the right to the freehold to be given to Crown tenants.

23. Did that petition come from the holders of the leases?—Yes.

24. Did you confine the signatures to lease-in-perpetuity tenants, or did you take anybody?—Only lease-in-perpetuity tenants signed. There were very few of them in the district.

25. How many names were there to the petition?—Five or six—all that there were in the district. The petition was forwarded to Parliament.

26. What was their particular objection to the lease in perpetuity?—Insecurity of tenure for one thing. It is very different to the freehold, in this way: that on the decease of a man his holding does not necessarily go to the widow and children. It depends on the Land Board, who, if they think fit, may hand it to the widow and children; but they need not do so. It is practically only a life tenancy.

27. Has any instance of such a thing come under your notice?—I cannot say it has come to my knowledge personally, but when I was working up this matter for the Farmers' Union we had a complaint from a widow that her husband's property was not allowed to pass on to her. We had no direct evidence of it except the written statement of the widow.

28. Did you investigate the case at all?—No; it was a case in the far north.

29. We have come across cases in which there were two sides to the question?—Of course, but I did not go into this matter any further.

30. Is the principal objection to the lease in perpetuity that it can be dealt with by will?—No, the principal objection was insecurity of tenure. But there are other objections. A man may want to use his land as security for something, and the leasehold is not a good security for that purpose.

31. In discussing the merits of the lease in perpetuity, do you not think your union should have gone into it more thoroughly before coming to a conclusion?—We only desire to have the option of tenure. We look upon the lease in perpetuity as a most excellent stepping-stone to the freehold.

32. You are in favour, then, of the occupation with right of purchase?—Yes.

33. Do you not see a danger of aggregation of estates under it?—No.

34. If you give the freehold does that not sweep away all restrictions?—Not necessarily, because the State could restrict the amount of land which any person might take up.

35. That class of freehold would differ from the ordinary freehold?—Yes.

36. Do you think a restricted freehold of that nature would be satisfactory?—Yes, I think so, provided it did not apply to the areas already taken up. But, in any case, I do not think there is likely to be any further aggregation of large estates in this colony.

37. Do you see any advantage in the lease in perpetuity for the purpose of keeping some amount of settlement on the land?—I think there would be less settlement on the land under it. People would be more satisfied with a few acres of freehold than they would be with a larger area under lease in perpetuity.

38. Have you had any experience of land-settlement in other parts of the colony, or are you only speaking for the Auckland Province?—I have had no experience of Crown lands outside this immediate neighbourhood.

39. *Mr. Matheson.*] Do you think it would be wise to divide a land district into ridings, each riding to have a member on the Land Board?—Yes.

40. Would you have the Board elected as an Education Board is elected from the members of the local bodies?—Yes, but I only suggest that one-half or one-third of the members should be elective.

41. *Mr. McLennan.*] Are there many Crown tenants in your particular branch of the Farmers' Union?—There are only thirteen members in the branch altogether, and three or four Crown tenants.

42. Would you be in favour of giving the option of the freehold to tenants on borough endowments, education endowments, and so on?—I do not think it would be right to interfere between the owners and their tenants, though I think it would be a good thing if those bodies could be induced to give the freehold. I do not think we should coerce them.

43. Do you think it would be detrimental to boroughs and cities which have land to compel them to give the freehold to their tenants if there was an Act passed to that effect?—I have not gone into the subject: but, at any rate, I do not think the proceeds should be treated as revenue. If the local bodies were to sell their reserves and spend the money as income it would be a very bad thing.

44. Suppose they sold the reserves, put the money out on security, and spent the interest on the money?—I do not think it would be any better for those bodies than having the land.

45. *The Chairman.*] Do you think that taxation in the future will be the means of preventing the building-up of large estates?—I fancy it should do so, but when these big estates first came into existence land was very cheap, and there were not enough people to go upon the land. Now, the position is reversed, and I believe the price of land would prevent the aggregation of large estates.

46. Do you think the graduated land-tax will prevent the acquisition and holding of large estates?—I think a man is hardly likely to go in for more than a certain area with a graduated land-tax in existence.

47. *Mr. McCardle.*] Do you think a better way of preventing the aggregation of large estates would be to pass an amendment on the Land Transfer Act, limiting the area of land any one person might hold? I think there might be difficulties in the way of applying that universally. I do not think freeholds which have been in existence previous to the passing of such an Act should be restricted in that way.

48. I do not suggest that: all I want to do is to prevent those men who hold large areas already from acquiring any more?—Yes, I am agreeable to that.

49. With regard to Land Boards, do you think, considering the great size of this district, the number of members should be increased to, say, seven?—Yes. I think there are seventeen counties in this district, and I suggested the number of members should be increased to six—that is, grouping the counties into threes, and each group returning a member.

50. There are large districts with a large number of settlers where there are no local bodies at all, and under your scheme they would have no representation: would it not meet the case if good practical men having experience of land were appointed from the different parts of the province, in the same way as members are appointed now?—If we could be sure that such men would be appointed I should wish for nothing better; but while there is party Government I am afraid the Land Board will continue, to a certain extent, to be a refuge for political deadbeats, and men who have failed to get into the House. That is why I should like to see the Board partially elected.

51. *Mr. Matheson.*] Are you a member of the local body?—No; I have been.

52. Is settlement in the district suffering from want of roading?—Yes.

53. Do you think it would be wise that all grants from the Crown for roading should be abolished and heavier subsidies take their place?—I would like to see the matter put entirely outside politics.

54. On an automatic footing?—Yes.

55. Do you consider that the heavier the county rate is the heavier the subsidy should be?—Well, I would place a limit to it.

56. But you think it is a sound principle?—Yes.

JAMES WHITE examined.

57. *The Chairman.*] Do you hold land?—Yes. I and my son between us hold 500 acres of land under lease in perpetuity in the Otau Block.

58. Is there any matter you wish to bring before the Commission?—I would like to make the following statement which I have in writing: "I knew nothing of farming when I took up the section, yet I have managed to carve out a home for myself, passing through many trials and difficulties, which brought out the little grit I had, and I am none the worse for it. Had it not been for leasehold I probably should never have settled on land at all. I am perfectly satisfied with my tenure, and desire no alteration. I look upon the present agitation for the freehold as unfair in principle, in so far as it aims to render void a contract: as impolitic on the part of lessees, as they are striving to do the same thing they so unceasingly have condemned in the trades-unionists—namely, to tamper with the contracts made between the Crown and the lessees. I do not believe in revaluations during the currency of a lease, because I think it would be a constant source of worry and dissatisfaction throughout the country, and would also have a tendency on the part of the lessee to depreciate his holding as the time closed in. I would prefer to see the lease definite and permanent for whatever term was fixed upon. Roads are the most important factor to the lessees. They should come before trunk railways, for God alone knows the misery and deprivation endured by a large number of lessees for the want of safe and passable roads, and, unfortunately, the women and little ones are the greater sufferers. This, to my thinking, is the one blot on the present land system; otherwise I consider the system most admirable and one of the best, if not the best, known to civilization, and I think, by judicious management, will keep the

country prosperous, as its prosperity has grown and grown from its inception. Give the lessees roads quickly—they are our right. Give them before they become broken in heart, body, and pocket, and settlement will go forward in ‘leaps and bounds.’ I do not think the country should grant the freehold, for I would rather see the Government mop up the freeholders than see the capitalist mop up the leaseholders. I am perfectly satisfied with the administration of the Lands Department, and have great satisfaction in stating that I have always been treated with the greatest courtesy and consideration by every member of the Department with whom I have come in contact. I also know this to be the experience of others besides myself. I consider the system wonderfully perfect for its age, and the country will act wiser by aiming at a greater perfection than by being misled by a number of reactionists, who are assiduously working on the cupidity of some and on the ignorance of others for the purpose of introducing changes, which if brought about will prove inimical to the best interests of the *bonâ fide* settler and his sons, and may, and probably will, prove disastrous to future progress of this fair land. As to the Advances to Settlers Act, I consider it the best Act passed by this Government, and the most helpful to farmers, both directly and indirectly.”

59. *Mr. Forbes.*] What class of land is this which you and your son hold?—Bush land.

60. How long have you been on it?—Since 1890.

61. Do you feel sufficiently satisfied with your tenure to go on making improvements?—Perfectly satisfied.

62. It has been said that there is a great fear coming over the holders of lease-in-perpetuity sections that their holdings will be revalued, and that the contract between them and the State will be broken: have you that feeling?—I have never had that fear, because, having made a contract with the Government, the Government cannot alter my contract without my consent.

63. Do you think that that alleged fear is one of the reasons why the freehold is being asked for by the Crown tenants?—Most decidedly.

64. *Mr. Matheson.*] Do you hope for the time when all the land-occupiers in the colony will be tenants of the Crown?—I would prefer to see that than to see all the land freehold.

65. You think it would be a good thing if that did come about?—Yes.

66. If two parties made a contract and afterwards see that by amending it it would benefit them both, do you think it would be wise that they should so amend it?—Certainly.

67. Do you remember that Parliament or the State put a compulsory clause in the Land for Settlements Act without asking the freeholders’ permission—a clause to allow the Crown to take a man’s property against his wish for close settlement?—I am aware of that.

68. Suppose the labour party became a strong power in the country, and got a majority in the House, would it not be as easy for them to bring in a Revaluation Bill as it was for the Crown to introduce and pass that compulsory purchase clause?—Just as easy.

69. *Mr. McLennan.*] It has been stated in evidence that Crown tenants do not farm their holdings as well as those who have freehold: do you farm your holding just the same as if it were a freehold?—If the land was my own, just as a freeholder calls his land his own, I would put no more exertion into it than I do to-day.

70. *Mr. McCardle.*] You have done a good deal of improvements on your land?—Yes.

71. Do you know what valuation is placed on those improvements by the Government?—I do not.

72. Have you spent more than £2 an acre on the land?—I should say it would be somewhere between £4 and £5 an acre.

73. Are you aware that if the Government were taking back your land you would only get paid for the improvements shown on their books, and that any increase in value in your property outside the improvements would be treated as unearned increment, whereas the amount of improvements shown on the books might not cover much more than half the real value of your improvements?—I have no complaint with regard to the valuation of my improvements.

74. You would soon have a complaint if you found you were losing half the value of your improvements if revaluation came about? I should complain about that, of course.

75. Do you think the true valuation is put on your improvements?—Yes.

EDWARD MORGAN examined.

76. *The Chairman.*] Are you a landholder?—Yes: I hold 225 acres of freehold land. Part of it is in the Papakura Valley and part of it in the Makuri Valley.

77. Is there any matter you wish to bring before the Commission?—I wish to give evidence as a native-born New Zealander—as one of the first white men born in this district. I believe in the freehold, because I am interested in the country, and I feel that the freehold is the best system for the occupation of the land. Besides being a farmer, I am a land-valuer, and also clerk to a local body, and, of course, as such I come into contact with a large number of people and hear a good many views on the land question. In the course of discussion of this land question we hear a great variety of views, and some of the arguments which have been brought forward in favour of the leasehold, to my mind, do not hold water. I might say that I have also held land in the Taranaki district, which was acquired under the deferred-payment system, and, while I am not against the occupation with right of purchase, I think the most favourable terms on which anybody can take up land, and the system under which they are most likely to succeed if they have not very much money, is that old system of deferred payment. Each individual is somehow constituted that if the efforts he is obliged to put forth are not beyond him he puts forth efforts in accordance with the amount required. If a man has to make up a certain amount of rent he will do it probably; but if he is called upon to do more, and not only make up an amount of rent, but something to pay off a portion of the capital value as well, he will probably do that. Most of the land in the back blocks are taken up by young and vigorous men, and if they have the option of purchase given them, so that they can look forward in the course of a few years to obtain the

freehold, it gives them more heart in their work, and consequently they are better settlers. With regard to leasehold land, there is one point which does not appear to have been touched upon in the evidence I have seen so far. It has been contended, in favour of the leasehold, that leaseholders have been very successful; but we must remember that since the inauguration of the leasehold system in any popular form the country has been prosperous. We must, however, not forget that hard times may come again, and when they do come it will be found that those leaseholders who are not making the thing pay will be raising an outcry for a reduction of rent, and they will have an immense political influence in that direction, which possibly will be for the bad. That is one reason why they should be encouraged while times are good to make the land their bank and put as much money as they can into it by the system I advocate of deferred payment. There is another point I should like to touch upon. I have followed the evidence given before the Commission fairly closely, and I see you have had some land-nationalisers. Well, I class the system as an ideal system, but it requires an ideal people for it to fit, and as we have not that ideal people, but have to deal with human nature as it is, I say the system is not at all adapted for the world in its present state. Then, again, the question of sentiment appears to have been overlooked. When times were rather hard, and it was difficult to make ends meet, people who became attached to the land through having the hope of getting the freehold would put up with inconveniences and difficulties which as leaseholders they would never have faced. In the course of my experience as a land-valuer I have come across such cases, and I feel convinced when hard times come and the leaseholders have some difficulty in making up their rent they will do what they can under the Advances to Settlers Act and afterwards throw the whole thing up. The value of the improvements they have put on, although they may be in a sense fully up to the money advanced, will not return that value to the country which owns them. The country will then go back, and the place will become neglected, and, in fact, be a hot-bed for noxious weeds. With regard to second-class land about here, I feel the Government have made a great mistake in opening some of the land they have in very broken clay country. It is generally bush country, but after the bush is cut down and the grass is gone off and the roots have lost their hold the land begins to slip, and it becomes valueless. I think it is better to leave that steep land alone and make forest reserves of it. I think the Land Board have made a mistake in opening these steep clay lands for selection at all. In many of these back blocks I think the old homestead system might very well be brought into force. There is some second-class land which could be settled with benefit to the country, and I think that men who would have the hardihood to put up with the inconvenience of going into these places should get the land on paying the cost of survey. Although you are giving away the people's heritage in a sense, I believe the prosperity of the country would be very much advanced by so doing.

78. *Mr. Forbes.*] In reference to the homestead system for settling poor lands in the back country, is it not essential that a poor man should be put somewhere where he can get work if he has not sufficient capital to make his living right off the land?—If he is a poor man, yes.

79. Well, if you put him on the back blocks on a small area of poor land, would that not be likely to spell disaster for him? I would not advocate putting him on the back blocks on a small area of poor land. I think under the old homestead system they did not give a sufficient area of land to justify a man going to the back blocks. We must bear in mind that a large amount of land to the north of Auckland is unoccupied Government and Maori land, and in many instances these lands are bounded by gumfields, and it seems to me that the gumfields of the colony might have been made much more serviceable. There are many settlers in the north who have taken up land on lease, and who have eventually paid for it, and their standby has been the gumfields.

80. We have been informed in the north that many people have simply been holding land and earning their living on the gumfields, and that settlement has not gone ahead as it should have done, because they have done very little in the way of improvements?—But, as against that, there are numbers of people who have made their whole living on the gumfields, and the country is no better from a settlement point of view. There are men who might have done better if they had put some of their time into land, and if they were gradually bringing their land into cultivation we would not blame them if they were not doing it as quickly as they would like.

81. Do you not think in settling men with little capital we want to put them near a market where they can get something for their labour?—Undoubtedly, a man who is placed in that unfortunate position would be in a way of getting on more quickly than a man who is placed on poorer land; but we must take into consideration the fact that the poorer man must be dealt with, because we have not enough good land to supply everybody.

82. Would you suggest giving them some Government assistance in the way of advances of capital to bring this poor land into cultivation?—Not unless the Government had ample security for their capital. I do not think it a good thing to press capital upon a man if he can possibly do without it.

83. *Mr. Matheson.*] Do you advocate deferred payments, which is compulsory purchase?—Yes.

84. Have you not known of many men going into the back blocks turned into old men in ten years' time through struggling to fulfill the compulsory clause? Do you not think it would be wiser to allow the payment of certain sums at such intervals as the tenant is able to meet them?—Yes, I would call that deferred payments.

85. Would you give the holder a longer term in which to pay?—I think the system should be made more elastic, so that settlers could pay off portions of the capital value as they desire.

86. *Mr. McCardle.*] You have spoken of land which slips in this province: where is that land?—The land I had to do with was in the Otau Block, part of which was occupied by one of the previous witnesses.

87. You know the land in the district?—Yes.

88. Would you not find there as many slips in one day as you would find in the whole Auckland Province in a winter?—I do not think so.

89. Some of the best land in the Wellington district is papa formation, and the men holding that look upon it as the most valuable land in the district, although it is liable to slips?—But I refer to the steep, red-clay land.

90. Do you think the option to acquire the freehold brings out a settler's energies more than if he had not that option?—Yes.

91. Do you think the inhabitants of towns who have no stake in the country have the same right to say what the land-tenure of the future should be as the settlers, who have all their stake in the country?—I think the settlers who have had practical experience are better qualified to express an opinion as to the best tenure than the theorists in the towns are.

92. If your money was invested in a company would you consider that the employees of that company should have the same voice in the management as you and the other shareholders who have their all at stake?—I think it would be a good thing to give the employees a bonus as an incentive to work, but not an equal voice in the management.

93. *Mr. McLennan.*] Have not the people in the towns an equal interest in the land of the colony as you or I?—Some have, and some have not. The dwellers in the towns may be here to-day and away to-morrow.

94. You would not take the opinions of the people in the towns as to the settlement of the Crown lands in any way whatever?—Only just as a layman's opinion should be considered in the construction of a road or a bridge as against that of a practical man.

95. *Mr. McCardle.*] You know there are many land-reformers in the cities?—Yes.

96. Do you think it would tend to the prosperity of the country if they were given full power to frame a Land Act?—I think it would be better to put them on the land, so as to give them actual experience before they did so.

GEORGE BALLARD examined.

97. *The Chairman.*] Do you hold land?—I own a freehold of 358 acres at Pukekohe, and also a small lease in perpetuity in Raglan County.

98. What particular matter do you wish to bring forward?—First of all, I believe in the optional system at present in vogue. The lease in perpetuity ought to be as secure as the freehold. It is the best tenure, unless the selector has a considerable amount of capital. I will illustrate this by giving three examples. We will say that there are three men, with a capital of £1,000 each, and three sections of land of 1,000 acres each, of equal value in all respects. A takes up one section for cash, and thus pays away all his capital; B takes up another section under occupation with right of purchase, and pays £50 a year rent, but has his capital to work with; and C takes up the other section under lease in perpetuity, pays £40 per annum rent, and has his capital to work with, the same as B. Let us say that these men are equal in intelligence and energy and in knowledge of practical farming. A has no money to pay for labour, but being an industrious man and having no rent to pay, he manages to make a living. B employs labour to improve his section, but for the first three years gets no return, but after that he becomes prosperous. C goes to work on the same lines, but having only £40 a year to pay, he has £10 a year more than the others to spend on his section. At the end of twenty-one years A will be very little better off than when he commenced; B and C will have made comfortable homes, and will hold improved farms, but C will be £500 better off. I think the single-taxers and those in favour of revaluation are responsible for most of the unrest amongst the leaseholders; but if they ever become powerful enough they would tax the freehold in preference to the leasehold, and, in my opinion, they are injuring the colony by keeping out desirable immigrants. The best thing to do with them would be to put each of them on 100 acres of land ten miles away from any station or store, and let them carry in their stores on their backs, the same as the people in this district did forty years ago. If the lease in perpetuity is not as secure as the freehold it ought to be. When an agreement is made, either between private persons or between the Government and the individual, it ought to be inviolable.

99. *Mr. Forbes.*] Do you not think that the Farmers' Unions are responsible to a very great extent for the unrest you speak of?—I think the single-taxers are.

100. The Farmers' Union have got up petitions on the subject, and made it part of their platform: does not that cause the general people to take it up?—I think it is just an election cry—a bribe to the leaseholders.

101. *Mr. Matheson.*] Referring to your A, B, and C, does it not strike you that at the end of a hundred years B's descendants would probably be living on a place for which they paid no rent, and C's people would have a nicely improved property which they would have to hand over to the State?—But B would probably get his freehold, for he has the occupation with right of purchase.

102. His people would pay no rent after the first hundred years: do you not think they would be able to purchase?—If they had the capital and purchased the property they ought to get interest on the amount. A man who spends £1,000 on land is entitled to get £50 a year on it.

103. Take the C family. As years went on they would have made a very fine estate, and some time in the thousand years the Crown would resume it with all improvements and no compensation. Which family would work from generation to generation with most satisfaction?—I do not see that it makes much difference a thousand years hence. You do not know what might happen.

CALEB HOSKING examined.

104. *The Chairman.*] What land do you hold?—375 acres of freehold in the Waiuku district.

105. Have you some matter to bring before the Commission?—Only that, as an old settler, I am interested in the land question. I have been farming in New Zealand for fifty-five years. I arrived in the colony about 1855, and took an axe on my shoulder and went into the forest to carve out a home for myself.

106. What tenure do you prefer? The freehold. I was brought up amongst leaseholders in the West of England, and spent most of my youth among them. There was a sprinkling of freeholders amongst us, and you could always pick them out at a glance. The freeholder went to market with his stock, and took better stock, as a rule, than the leaseholder; wore a better coat, and lived in better style, because he was a free man. In this country, if we go on as we have been doing, we shall have a very large number of electors who are not free men. Political pressure will be brought to bear upon them to compel them to do as they are told. In the Old Country many of them dare not shoot a rabbit without the permission of their landlord. As to their votes, they were not their own. I want every man in this country to have his vote, and to do as he pleases with it. But there is pressure brought to bear by the Government at election time. At one time I held a small lease, but at the earliest opportunity I converted it into a freehold. I never felt comfortable as long as I was under the lease. Emphatically, as an old settler, I would say, "Give us the freehold." It was this objection to leasehold that brought me to New Zealand.

107. Do you consider that the best tenure is the lease with the option of purchase?—I have no objection at all to that. I think it is an excellent system for a man with small capital.

108. Is it in the interests of the country that that should be the tenure?—I think so.

109. *Mr. Matheson.*] Do you think it would be in the interest of the town-dwellers to give the Crown tenants the right of purchase?—I do.

110. How would it benefit them?—I do not think it would benefit them more than us. The country would be prosperous, and they would feel the reflection of it.

111. *Mr. McLennan.*] Would you grant the same privilege to the lessees of educational reserves and borough endowments?—I would not meddle with those; they are not Crown lands.

112. But do you not want the country to be prosperous?—The small amount of rent obtained from those endowments would not affect our prosperity very much. Those leases are very badly farmed, and are not a good advertisement of the effect of the leasehold system.

113. *Mr. McCardle.*] Do you not think that if there were a very large number of leaseholders they would be able to dictate to the Government the conditions under which they should get their land? Probably, if they became strong enough.

CHARLES DRUMGOOL examined.

114. *The Chairman.*] What land do you hold?—About 600 acres of freehold—part at Tuakau, part at Raglan, and part at Mercer.

115. What matter do you wish to speak about?—First, I consider that the members of the Land Board should be elected by ballot, and more especially by the settlers in the districts where there is the largest amount of Crown land. I believe that the freehold is the best tenure. The optional system should be continued, but I consider that the deferred-payment system is the best that the colony has ever had. The homestead system is, in my opinion, a great mistake, because under it the settlers are spoon-fed—they get Government assistance from the day they go on the land, and directly they have got all they can from the State they leave their sections. There are large areas of land that have been lying waste for forty years or so, and I think the Government should give them to anybody who will go and live upon them, and let the settlers have Crown grants at the end of six years.

116. *Mr. Matheson.*] You think the Crown is too slow in cutting up land for settlement?—They put too high a price on the land, and consequently it lies idle.

CHARLES THOMAS BARRIBALL examined.

117. *The Chairman.*] What land do you hold?—320 acres in the Waiuku district—freehold.

118. What matter do you wish to bring forward?—I wish to express my opinion in favour of the freehold tenure. I believe it is the best tenure for the country. A man puts more energy into his work if he knows that the land is his own. Like Mr. Morgan, I am a New Zealander. My father arrived here about sixty-three years ago. For a number of years he worked as a leaseholder, and when he had got together about £1,000 he bought land, and gave his sons, as far as he was able, 100 acres each in the Waiuku district. It was bush land, and had we not felt that we were making homes for ourselves, and freeholds, we should not have gone at the work with the energy that we did.

119. Do you think it would be well if some of the town agitators followed the same course?—I should like to see it tried. The Government might give them a full set of tools, and even a plough, and put them on bush land for twelve months. At the end of that time they would wish themselves back in town.

120. *Mr. Forbes.*] Do you not think that the town-dweller has a certain amount of interest in the disposal of the Crown lands of the colony?—Every person in the colony should have a certain amount of say in the management of its affairs, but I do not think the town people should dictate to the country people as to the tenure on which they should hold their land. Most of the town agitators, if they were offered a day's work, would not do it. If a few men get out of employment in Auckland the agitators mount their beer-barrel and demand that the Government should give them work. I have no sympathy with that.

121. If you and another person had an article to sell, would you not have an interest in the method of the sale?—Certainly.

122. Are not the people of the colony the joint owners of the land, and have they not the right to express an opinion?—Yes; but I do not think that their opinion as to tenure should have as much weight as that of the country dwellers.

123. *Mr. Matheson.*] Is it good business for any State to give a tenant a lease for a thousand years at a fixed rental?—I think it is wrong altogether.

124. *Mr. McCardle.*] If a ploughman came forward to do the work of a medical man, would it be satisfactory from the medical point of view?—Certainly not.

125. And is not that the position of the man in the town, if he has to make the land laws for the country?—To a very great extent. In regard to land-tenure, I think it is nonsense to think that townsmen should know so much about it.

WILLIAM HENRY CLARK GLASSON examined.

126. *The Chairman.*] What land do you hold?—700 acres freehold in Raglan County.

127. Is there any particular matter that you wish to speak about?—I am a freeholder, and I advocate the freehold. I consider that the occupation with right of purchase is the best tenure. At the same time, I think that the principal thing the country settlers require at the present time is better roads and bridges. If we had better roads and bridges the question of tenure would be a secondary consideration.

128. *Mr. Forbes.*] Do you not think that before the Government offer any of the back country blocks they should make provision for the proper roading of the land?—I do think so.

129. *Mr. Matheson.*] Do you think it is wise that the County Council should do all the road-work within a district?—I think the Government should give assistance by taking over the main roads, at least.

130. Would it help the roading of the country if subsidies were given, increasing as the rates increased?—I should think so.

NEW PLYMOUTH, MONDAY, 29TH MAY, 1905

JAMES BURGESS examined.

1. *The Chairman.*] What are you?—I am a farmer holding just over 100 acres of land at Warea, twenty-four miles from New Plymouth. It is a freehold and I have been twenty-four years farming in this district. I represent the Farmers' Union at Warea, which is the largest branch in Taranaki. There are 78 full members and about twenty-five honorary members.

2. What do you wish to bring before the Commission?—First, I wish to object to the very short notice we have had. Our branch appointed three members to attend, but two are away through previous engagements, and we think it is rather unfair to this part of the district that such short notice should have been given. The opinion of my branch is that the freehold is the only tenure that is suitable to this part of Taranaki. In our opinion the old deferred-payment system was the best system for this part of the colony, and we recommend that it be reverted to. We contend that if a man took up land under the deferred-payment system it developed in him habits which were of the greatest use to him in developing his land, and those habits never left him throughout life. We contend that the freeholder becomes an independent man able to give his vote as it suits him, without fear or favour. Of course there are many leaseholders who can do the same, but still I think that the leaseholders are not all in quite as independent a position as the freeholder, and that fact should be considered in the interests of the colony. Another matter is that we have a very great objection to the present method of valuing land. For instance, in my case I took up a lot of swamp land and I started to drain it. First of all I put down a drain 4 ft. deep, and after four or five years it settled down to 1½ ft. I then sunk it another 4 ft., and I have sunk it from start to finish quite 10 ft. When the valuer comes round he sees a drain 3 ft. deep and only the value of that drain is allowed for without any consideration for the whole of the work that has been done. The full extent of the work is not taken into consideration in the valuation; it goes to unearned increment, and that is where we contend the valuation is unfair. Another thing we contend is that if the State gets the value of the freehold they have the capital to work with, and are thereby relieved from the necessity for heavy loans. We advocate that every man should be allowed to have a small freehold of his own. We do not want landlordism either on the part of the State or the private individual; we fully agree that restrictions should be put on the amount of land a man might hold, but at the same time a man who farms his own land gets more out of that land than under any other system of tenure; it induces in him habits of thrift and industry, and is better for himself and the State as well. Through having been a freeholder ever since coming to the colony I have never had to go to the Advances to Settlers Department, and I am so satisfied with my own tenure that my fellow-settlers have deputed me to put my views on the question before the Commission.

3. Are there any lease-in-perpetuity settlers in your district?—Some.

4. Are they dissatisfied with their tenure?—They would all like to get the freehold.

5. Are some of them members of the Farmers' Union?—Many of them are members, but there are also a great number of leaseholders holding Native leases from the Public Trustee.

6. *Mr. Paul.*] Has your branch discussed the constitution of the Land Boards?—No.

7. Have you any personal opinion as to the best constitution of the Land Board?—I have not, as I have not had anything to do with the Land Board since I took up my land, being a freeholder.

8. Are you acquainted with the conditions of settlement under the lease in perpetuity in the south?—No.

9. From your own knowledge you could not say whether they are a success or a failure?—No.

10. One order in our reference is the question of roads and the loading for roads, and whether faith has been kept with the settlers on that matter. Can you say anything about that?—I am fully of opinion that all loading for roads should rank as a mortgage on the land. I think the value of the yearly rates should be capitalised and rank as a mortgage to be deducted from the taxable value of that land.

11. Then you do not approve of the present system under which the land is loaded for roads and interest charged in perpetuity?—I have had no experience of the matter.

12. Is the value of the leaseholds increasing in your own district?—Yes, it has increased.

13. You are a staunch freeholder: Do you think that under the freehold system a poor man would have a chance to get on the land?—I do not object to beginning with a leasehold, but give the man the opportunity of turning it into freehold. By all means let him begin with the leasehold if he chooses, but I object to any form of lease without a purchasing clause.

14. Then I take it you strongly object to the lease in perpetuity?—Yes, and many of those holders have found out their mistake since they took their leases up. When they want to borrow money they have had to pay in some cases double the rate of interest that the freeholders have had to pay, and consequently their expenses are far more than the others.

15. When all the land had been acquired as freehold, what chance would a poor man have of getting land?—If all the land is leased he will have no better chance; leasing will not increase the quantity of land available.

16. You mentioned the advances-to-settlers system: what is the experience of that system in this district?—I do not speak personally because I have had nothing to do with it, but I have heard of a man applying for £300 or £400 and getting only £70.

17. You say the settlers object to the lease in perpetuity: What is their objection?—I have not found fault about it excepting the uncertainty as to whether the contracts would be observed for 999 years and the high interest that has to be paid for loans.

18. You think there is uncertainty under that head?—Most decidedly I do.

19. In what direction?—That it will never be observed for 999 years.

20. Do you think the freehold will be observed?—That is impossible to say, but at the same time it is more likely than the other.

21. Do you think there is a majority of people in this country who would throw aside a bargain entered into between the State and a portion of the settlers?—They have done so already.

22. In what direction?—By acquiring estates which have been already sold.

23. Can you say that is a successful step or not, and one in the interests of the colony?—It is possible, but it may be found out also that it is in the interests of the colony to vary these leases.

24. You say the State has broken faith with these people?—Most decidedly.

25. Do you not think the interests of the minority must always be subservient to the interests of the majority?—Quite so.

26. If the State thought it to its interest to break or vary the contract do you think it should be done without compensation being given to the lessee?—Certainly not; but you know that the demands of the labour party at present are very much in that direction.

27. Yes, they propose to revalue a lease at the death of the lessee or on the transfer of a lease?—Is not that breaking the contract if they do that?

28. As a Farmers' Union what do you propose to do with the present leases. Do you propose to vary them, or are you prepared to stick to your part of the bargain if the State sticks to its side?—We think people should have the right to purchase, which would be in the interests of both themselves and the State.

29. Then you do not object to any valuation so long as both agree?—No, there is no breach of contract, and it may be in the interests of the settlers and for the good of the State.

30. What proportion of Crown tenants are there in your union out of that hundred members?—I do not think there would be more than ten or twelve Crown tenants, but at least one-half would be Maori tenants under the West Coast Settlements Act.

31. *Mr. McCutchan.*] You are a freeholder?—Yes.

32. And an advocate for the restoration of the deferred-payment system?—Yes.

33. And in what respect do you consider that system has a preference over the occupation with right of purchase?—When a man started under the deferred-payment system he had to pay so much off by instalments, and that induced in him habits of thrift and industry which made a man of him and never left him all his life, whereas in the case of the leaseholder if he raises his income from £200 to £300 it is very hard for him to keep his expenditure under that £300, and so he never gets any nearer being able to purchase his farm. Under the deferred-payment system he was bound to pay off the price of it and it made him independent.

34. Were you in the district when the Mountain Road was settled?—I was down the coast.

35. You are aware that some blocks are loaded to the extent of 25 per cent. for their roads?—Yes.

36. You are also aware that the tenants pay interest on that loading for the whole term of the lease of 999 years. Now, instead of loading these blocks for roads if the land was sold without the loading and the tenants had to provide roads themselves and got assistance under the loans to local bodies, the interest would be extinguished in twenty-six years: would not that be a preferable system to loading the land for the whole 999 years?—Yes, I should be in favour of that, although I am only speaking for myself because I had no instructions from my union to present any views on that matter.

37. You spoke of the unearned increment and said there was no unearned increment in your district?—The so-called unearned increment so far from where any public works have been carried out, is simply created by labour and expenditure that the valuer takes no account of.

38. What is your opinion with regard to Government grants for roadworks?—I believe the local body should have the expenditure of the money and it should not be left to the will of the Minister to spend it or not as he likes.

39. Do you think the present method of obtaining grants is a wise one?—I do not.

40. Have you devised any scheme for securing to local bodies an assured finance?—No, but my opinion is that local bodies should receive grants in proportion as they rate themselves.

41. Would you abolish grants altogether?—I would special grants.

42. And arrange for a subsidy of £1 for £1 on all rates raised and spent?—That would be most decidedly the best system.

43. With reference to cash sales, do you think the “ thirds ” from land sold for cash should be available for the local bodies?—I do. I think the “ thirds ” of the fall value of the land sold for cash should go to the local bodies equally with the other.

44. Would you be in favour of making the purchase-for-cash lands subject to residence and improvement conditions similar to leaseholds?—I would not object to it; and we are in favour of limiting the area a man could acquire. We object to landlordism in any form, State or private.

45. With reference to purchasing under the lease system is there not a danger of tenants raising money at fairly high rates of interest, and possibly in adverse times of losing their holdings?—You could not meet the difficulty with legislation in that connection.

46. Would you be in favour of so arranging the means of acquiring the freehold that the means will come eventually from the tenants' savings instead of from mortgagees?—I should not be in favour of that. I believe in allowing every man to raise the money as he likes, and so letting him rest on his own bottom. If a man cannot rely on himself he is sure to go to the wall in time.

47. Is there not a very grave danger that if the freeholds are given without any proper safeguards that we shall have a reaccumulation of estates from the small freeholders?—I think it is as easy to prevent the reaccumulation or aggregation of freehold estates as it is of leaseholds.

48. Do you think it is better to prevent the reaggregation by means of taxation rather than by prohibitive legislation?—I should not have the slightest preference for one or the other, but taxation seems to be the simplest method of attaining the object.

49. *Mr. Anstey.*] Do you advocate giving the right of freehold to tenants under the Land for Settlements Act?—Yes.

50. Upon what terms would you give the freehold?—That really has not been decided; we only advocate the principle so far, but once there is a chance of getting the principle ratified we could go into the question of terms.

51. You think the freehold would be a great advantage to those tenants?—I do.

52. You think they ought to be glad to pay something for the optional privilege?—Yes. Twenty-three years ago land was sold for more money as a freehold than it would be sold for as a leasehold. I know land of equal quality with land down our way sold for £3 an acre that was let for 1s. 6d. an acre as leasehold; if put up as a freehold most likely it would have realised from £2 to £2 10s. per acre.

53. You advocate that every one should be allowed to acquire the freehold?—Yes.

54. You say you object to landlordism, but if a man has to borrow to acquire his freehold then many men will not be able to take up land. He would have to borrow from a private individual: do you not think then we should be returning to the state of landlordism that you strongly object to?—Yes, but if you limit the area to the amount now provided for by statute there is not much fear of a man becoming a big landlord.

55. Is there any difference between renting land from a landlord who only owns one farm and renting it from one who owns a dozen?—There would be a greater number of people benefited by it; with every 320 acres of land let to a single man there would be two families living out of that one farm.

56. Is not that what you object to under landlordism?—My chief objection is that the State must make regulations to protect itself against the depreciation of that land, and in that respect the interests of the State must clash with the tenants' interests to some extent.

57. That does not follow?—I think so. I have been a tenant in the Old Country and it was simply because I could not get the freehold tenure there that I came out here.

58. I gather from your remarks that you object altogether to landlordism, but that that objection does not hold good when the man only owns one farm?—As far as we can prevent landlordism I am against it.

EDWARD MORDAUNT MURLEY examined.

59. *The Chairman.*] What are you?—I am a farmer and grazier, holding 196 acres under occupation with right of purchase. I have held it about thirteen years. It is in the Uruti district, thirty-three miles from New Plymouth.

60. Are you satisfied with your tenure?—Yes, It contains the right of purchase. I am an out-and-out freeholder. I pay a rent of £13 a year. My relations with the Land Board are quite satisfactory on the whole.

61. Do you think the present constitution of the Land Board satisfactory, that is nominative instead of elective?—No; I think it would be better in the interests of the Crown tenants and leaseholders that they should be elected; certainly a number of the members should be elected, the franchise being according to the area of land a man held.

62. Simply landholders should have the franchise?—It should be those who have a stake in the country.

63. You would not give votes to townspeople?—I have not gone into that question, but I would not give the votes to people who were not interested in the land.

64. *Mr. Paul.*] You say you would only give those people holding a stake in the country a vote?—I think so, as it should not be allowed to those who did not know anything about working land, or who had no interest in land.

65. Do you not recognise that the lands of the colony are the national estate, and every citizen in the colony has a right to say how it shall be administered?—I do not think that it is a national estate, and I do not think that every citizen should have the right to say how the land affairs should be dealt with.

66. You think every citizen is entitled to a vote in respect to national affairs?—I think he is entitled to a vote for Parliament.

67. If it would be wrong in the case of the election of a Land Board would it not also be unwise to give a man a vote in the general affairs of the colony?—You must cast the responsibility on some man, and the elector in the case of the parliamentary vote uses his discretion, and puts men in Parliament who will do the fair thing.

68. But you do not think that the people in general in the towns should have any right to say how the Land Boards shall administer the lands of the country?—No.

69. What is your special objection to the leasehold?—Although I am a freeholder I had no objection at one time to the lease in perpetuity until I first heard of the Unfair Rent Bill and the threat of revaluation.

70. You mean the Fair Rent Bill?—Yes.

71. Do you think there is any possibility of the State breaking the contract with the tenants?—A Fair Rent Bill has been brought in session after session, and some of its terms are most unfair. I should expect such an Act to emanate from a Government like Russia or Turkey, but not from a British community.

72. Do you think the principal of revaluation should apply to future leases?—Certainly not where an agreement has been made.

73. But if the laws are amended do you think that would be sound a principle to apply?—I do not see anything against it then.

74. Do you think the State should hold to its bargain and the tenant stick to his part?—Yes; the only difference is that the tenant now, if the State would stick to its bargain, would probably be satisfied with his lease in perpetuity.

75. Do you think that is the feeling?—I think so, and I have spoken to a great many.

76. I take it that you are opposed to giving the freehold to the present leaseholders in perpetuity?—No; I should let every man acquire the freehold, but if he has taken a long lease with 4 per cent. interest, I would make him pay an extra 1 per cent. for the occupation with right of purchase as the latter does now.

77. Then you would break the present contract with the State?—I would allow the tenant to take up the land on any sort of tenure he likes.

78. I gather from your remarks that you are opposed to any alteration in the present laws which may not be in favour of the landholders, but of no alteration which will protect the interests of the country?—No. I should certainly go by the voice of the people, if you can get at the opinion of the majority. In the case of an election of a member of Parliament, some electors in the district I have to do with are unable to record their votes on account of the state of the roads. If we had a referendum I do not think you would get the opinion of the majority, and there would be a danger of the minority ruling, but I think the opinion of the country is in favour of the freehold.

79. Are you acquainted with the conditions of settlement in the south?—No.

80. Was your land loaded for roads?—My land was not loaded for roads, but it was loaded for some improvements done by the last tenant. I am not the original tenant.

81. Have you had any experience of the advances-to-settlers system?—Yes. It is a very satisfactory system.

82. *Mr. McCutchan.*] Do you mean you would make the four members of the Land Board elective?—A certain proportion. I would have three members elected, if not the whole of them.

83. If you advocated three out of the four should be elective you recognise the principle that the people in the towns should have a voice in their election. Do you not?—They should not have the same voice with regard to the disposal of agricultural and pastoral land that the farmers should have who are going to use that land.

84. But you recognise that they should have some voice?—I have not gone into that question sufficiently, but I think my views are right.

85. Would you be in favour of dividing the land districts into wards, and of giving the Government power to nominate one member for each ward?—I think the present system is preferable, because a Land Board properly constituted is quite able to deal with the land question.

86. Do you think the number of members should be increased?—No.

87. You think there is no necessity to do so in the Taranaki Land District?—I have not gone into the question deeply, but I do not see why they should be increased from what I have seen of the working of the Land Board here.

88. With reference to the question of revaluation, I understand you see no objection to that being done, but do you not think it would militate very much against settlement in the back country?—Yes, and therefore I would rather see the Government sell the land out and out, and let the people say how they were going to work that land. You might possibly restrict them in regard to area, but there is such a thing as being over governed, and it suggests itself to me that this country is going to the opposite extreme with regard to its land laws to what a prosperous country like Canada is doing, where they are selling the land outright.

89. Then you are in favour of selling the freehold subject to restrictions?—I should certainly sell the land.

90. Would you make the restrictions by area or value?—I have not gone into that.

91. About the question of a breach of contract: were not the Crown tenants advocating a breach of the lease in asking for the freehold after the State and the Crown tenants agreed on the contract? If they now agreed to a rearrangement of the terms of the lease would you consider that a breach of the lease?—The Crown tenants take up this lease because they have no option.

92. The Crown tenants took up these leases under certain conditions, and now they are asking for the freehold. That is a very radical change from the original conditions, but if the State and the tenants agree to this change you would not consider that a breach of the lease?—No, it would be a rearrangement, because I consider that the land should never have been leased in the first place.

93. *Mr. Anstey.*] Do I understand you to say that you think there ought to be some limitations with regard to the area of land a man should hold?—Yes.

94. What limitation would you suggest?—I could not say, but in some districts probably 2,000 acres would not keep a man, while in other districts 50 acres would keep him.

95. Then I take it that it would have to be regulated by value rather than by area?—Yes. I have one settlement in view where the land was brought out in 100-acre selections, and it was intended to put about fourteen settlers on the block—it was very rough land too. It was intended to give them 50 acres each, but eventually it was cut up into 100-acre sections. Now there are three men occupying six sections, and they are fairly successful. As a settlement of seven settlers it was not a success.

96. Why?—First of all the Government offered inducements to these men to take the land up to get it settled; but I think the principle is wrong to take men indiscriminately from towns, perhaps they might be seafaring men, and simply put them on the land.

97. Do you think the original area of 100 acres in that case was too small?—Yes, in this particular case.

98. You said you were in favour of electing the Land Boards, and that the franchise should be regulated by the area that a man held. If that were done would not there be a danger that you would have the bulk of your Land Boards composed of men representing large holdings?—On the principle that the man who is interested in the country and has to make his own way by thrift, industry, and hard work should be the man who should have the say, and therefore I am against the men in the towns who know nothing about land in many cases being allowed the say in the matter.

99. That is to say the larger a man's interest the larger should be his voting power for the Land Board?—I do not say that it necessarily should be so, but certainly the man who owns the land ought to have the voting-power.

100. We have had a good deal of evidence concerning workmen's homes adjoining the large centres—do you think that those workmen who want homes have any right to any say in the election of Land Boards?—I think there are lots of ways in which those men could get homes without the Government interfering.

101. Do you think the Government should not interfere with regard to starting workmen's homes?—I would not like to say that for certain, because I have not looked into the matter sufficiently.

102. Do you think the ordinary working-man should have no say in the election of Land Boards?—I think not.

103. Are you a member of the Farmers' Union?—Yes.

104. Has your union discussed the question of the freehold?—We had a debate on the question; I was not there, but I heard the majority were in favour of the freehold.

105. Have you discussed any other question excepting the freehold?—Yes.

106. But not for presentation to us to-day?—No.

107. You think it would be wrong on the part of the State to introduce revaluation as regards the lease in perpetuity?—I certainly think it would be wrong.

108. Still you do not think it would be wrong for the State to break the contract to the extent of giving them the right to take the freehold?—In the one case the majority of the people would wish it, and in another case it would be simply the tenant himself who would bring this question in and force it on the people, and I maintain that it is not right.

109. Supposing you were a landlord and you had a dozen tenants, and a majority came to you and wanted the right to buy the farm at a cheap rate, would it be right for you to give way to that majority request?—I would leave the landlord then to use his own discretion in the matter.

110. Do you not think he would probably say they should stick to their bargain?—Very probably he would.

111. Do you not think it would be very much better now for all parties to lay down the principle that a bargain entered into should be adhered to?—I certainly think so.

112. Do you not think it is wrong for you to advocate a breach of the contract on one hand, and the labour party on the other?—There should have been no lease of this description in the first place, but the people had no say in the making of these laws. If they had their way they would certainly say that this wrong should be set right. There is going to be a great trouble over these wrong laws, as there will be a great temptation for the owner of the land to increase the rent.

HENRY OKEY examined.

113. *The Chairman.*] What are you?—I am a farmer holding 1,400 acres of freehold, and 520 acres of leasehold with the right to purchase. I have been farming all my life. My homestead is about three miles from New Plymouth. I am paying 12s. 6d. an acre for the occupation with right of purchase, and I am satisfied with that tenure.

114. What tenure do you think is best for the settler and the country?—I think that in Taranaki the right to purchase is the best tenure.

115. But you think that the leasehold system is very advantageous to the settler when starting?—Yes.

116. Are your relations with the Land Board satisfactory?—Yes, I have had no difficulty with them. I think that the tenants should have a say in the election of a certain proportion of the members of the Land Board. I recognise, however, that the Government of the day should by means

of nomination be able to take the responsibility of carrying out their land laws, but I think the tenant should also be represented.

117. Under what franchise would you elect them?—In the case of the tenants, it would have to be those who are interested. To show that the tenant should be represented, I can mention one instance where a tenant wished to borrow £350, and he ultimately arranged to get the money at 10 per cent. He went to the Land Board and asked their consent to the loan. The Land Board said they would approve of the loan, but they could not approve of the rate of interest, and that they had received instructions from headquarters not to sanction any loan at a rate of interest over 8 per cent. The tenant went back to his solicitor and said: "I must have this money. I have to pay for stock and make improvements." And he had to capitalise the 2 per cent. for the whole of the five years that the loan was for. If you work it out, you will find that the tenant paid 11½ per cent. and not 10 per cent. The lease would show the payment of 8 per cent., and the balance would be deducted to make up the extra 2 per cent.

118. Did he try the Advances to Settlers Department?—The difficulty in that case is that the settler cannot get the amount of money on leasehold property he requires.

119. But recognising that the Government is the landlord they have to protect themselves. Perhaps they thought the tenant was going beyond his depth?—The trouble is that the Government does not assist the leaseholder. The Government has the security, and I think they should assist the leaseholder more than they do.

120. Is that man still on the land?—Yes.

121. *Mr. Paul.*] Is that the general experience so far as the Advances to Settlers Department is concerned?—No, but the general experience is that the leaseholders cannot get a sufficient advance. A man with a few pounds may be able to make improvements and get a little stock, and by-and-by he may want more stock, and he will require money to buy that stock, and he will expect to get an advance on his improvements so as to be able to borrow the money he requires, but the difficulty is that he finds that he cannot get a sufficient advance.

122. Do you think that the amount advanced by the Government might be increased with safety?—Yes, because the Government hold the land.

123. Is there any aggregation of estates going on in this land district?—I do not think so.

124. Are there cases of one neighbour buying out another and adding to his holding?—As a rule only in cases where the areas are too small.

125. Is the value of leasehold land increasing?—It must increase to a certain extent as the land is improved.

126. But is it increasing in proportion to freehold land?—No.

127. Does the settler get value for improvements?—Yes.

128. Would a valuer be so unfair as to go on the land and value it just according to what he could see, and not try to learn the exact position?—That is going to be the trouble. There should be something to show the position of the land when it was first taken up, but it would be almost impossible for a valuer to say what the condition of that land was in its original state. We have very little to complain about in respect to our valuations in this district. I think, however, that valuers would be prepared to give the Commission evidence in accordance with what I have said.

129. Has the tenant a voice in the fixing of the rent on revaluation?—I suppose the improvements are protected, and he would have to pay rent on the unimproved value at the end of twenty-one years.

130. Do you not think the settler has every right to the improvements? Do you think it is right that he should be asked to pay rent on the improvements?—No, that is one of the difficulties.

131. Do you think it is possible to allow the tenant valuation for all improvements?—I think it would be a hard job to find out the amount that had been spent in improvements.

132. Is your occupation-with-right-of-purchase section rated for roads?—Yes.

133. Has faith been kept so far as that expenditure is concerned?—No, we do not know what becomes of this money. It is supposed to go to the local body, but we cannot see where it is expended. I think there should be an alteration in this respect.

134. What would you suggest should be the alteration?—I think the amount paid to local bodies should be sent to settlers interested in different blocks, so that they may have some idea of the amount to be expended.

135. How was that money expended—by co-operative labour?—No, it was expended by the local authority.

136. *Mr. McCutchan.*] With respect to the Advances to Settlers Department, you complain that no adequate advance is made to settlers. Is it not the case that the Government are now increasing the amount that may be advanced on the tenant's improvements?—Yes, and that no doubt will be an advantage.

137. Do you think that there should be any difference made in the amount lent in the case of a man borrowing in order to make further improvements?—I think you can lend more money to the man who is going to make improvements.

138. The maximum amount is 5 per cent. on improvements and 50 per cent. on goodwill?—Yes.

139. What further amount do you think should be lent to a man who is going to do further reproductive work on his land?—I think the Government would be quite safe in lending up to 80 per cent.

140. You are aware that the Government only advances up to 65 per cent on freeholds?—Yes.

141. Do you think it is safe for the State to advance up to 80 per cent. on improvements?—It all depends on circumstances. I think it is safer to lend a larger percentage to a small holder than to a man with a larger holding.

142. Do you think the Department should supervise the expenditure of money borrowed to make improvements?—I think there should be some supervision. For instance, if a man borrows money to fell bush, I do not think the money should be paid to him until the improvements are completed.

143. Do you think the Land Board has sufficient discretionary power at present in respect to residence, &c.?—I think if the Land Board were left alone they would have sufficient power, but they are not always left alone.

144. With reference to this question of improvements that are no longer visible, do you not think that will make the rating on the unimproved value farcical?—I should think it would to a great extent.

145. What is your opinion with respect to the unearned increment?—There is very little doubt that it is very hard at times to find the unearned increment. In prosperous times land may be of more value than first cost and amount expended upon it, when at less favourable this extra value may disappear.

146. Is it not possible that freezing-works, dairy factories, harbour-works, &c., which are provided by the settlers, give an added value to the land. Yet the valuer does not allow any portion of that expenditure on the part of the settlers as having increased the value of the land?—Yes, that is so.

147. Dealing with the question of roads, several County Councils complain that the £6,000 allowed under the Loans to Local Bodies Act is inadequate?—I think that in counties where there are no Road Boards the amount should be increased.

148. Do you agree with the principle of loading land for roads?—Of course you want some assistance in getting roads, but I think that if the law is such that you can borrow upon the loading, it would be an advantage.

149. Of course the loading is put upon the land, and the Government expends the amount of the loading?—Yes, they are supposed to.

150. Is it not the case that in nearly all of these blocks the Government is expending the money?—They are expending the grants.

151. You are aware that when the Government is opening up new blocks that they generally put on 25 per cent. for roads?—Yes.

152. As Chairman of the County Council, do you think the finance of the local body could be put on some satisfactory footing?—Yes, I think it should be—in the direction of increasing the subsidies and assisting those who help themselves.

153. With reference to the question of grants, do you think that the grants are fairly apportioned over the colony?—No.

154. Would you say that grants are generally given in proportion to the strength of the parliamentary representative?—To a great extent, no doubt.

155. Do you approve of that system?—No, I do not think it is the best system of grants, but I would not like to say that grants could be done away with altogether.

156. If there was any increased subsidy on rates, would that not do away with this wretched cadging for grants?—To a certain extent it would, but there are no doubt cases in which you could not raise sufficient money in the back blocks for their requirements. The back-block settlers would no doubt be sufferers if they had to depend on the amount raised by rates and the subsidies given on the amount so raised.

157. If the subsidies were increased by 5s. in the pound, on say a three-farthing rate, and if the subsidy were increased to £1 for £1, and also a subsidy given where special rates were levied equal to paying interest on the loans, do you not think that would produce an adequate finance?—That, no doubt, would be a great assistance to the local bodies.

158. Do you think that the Government should retain the control of the main roads until they are metalled?—Yes, I think the Government should take over the control of the main roads.

159. Are you in a position to say generally that settlement has been very severely hampered by poor roading facilities?—Yes.

160. The financial position of the colony being sound, would you advocate a borrowing policy for the purpose of giving better roading facilities?—Yes, it would result in an increase of the produce of the colony. A great number of the settlers of the back blocks at the present time are worse than slaves; they are worse than people who are in gaol. I can mention instances of people who have been on the land for ten years, and they have no roads yet.

161. Have any instances come under your knowledge in which genuine settlers after years of struggling have had to leave their sections broken in health, hope, and fortune owing to the want of roading facilities?—Yes.

162. In respect to the introduction of the parliamentary franchise for the election of members of local bodies, would you have any objection to that?—I object to any one voting for local bodies who does not pay rates.

163. Is it not a fact that the grants come out of the consolidated revenue which is contributed to by the people of the whole colony?—Yes.

164. You must admit that people who get the benefit of these roads also contribute to a certain extent to the consolidated revenue, and that the roads are there for the use of all the people, and you do not think that those who do not pay rates should have a voice in the election of local bodies?—Yes.

165. *Mr. Anstey.*] Do you think that a system of subsidies graduated on the rates struck would provide an adequate finance and do away with grants altogether?—I am doubtful whether you would be able to do without grants altogether. I was a member of the Conference of County Councils, and we found that there would be great difficulty in getting such a measure. Some of the local bodies in the south are well provided with reserves, and are in such a financial position that they are enabled to strike the lowest possible rate.

166. But under the system I suggest they would get very little subsidy?—But they will not agree to the subsidy being taken off. It was proposed at the Conference that no subsidy should be given to a local body which did not strike a half-penny rate, but the southern members would not agree to that.

167. If such a measure were got through would it be fair, and would it provide local bodies with adequate finance?—Yes, I think it would be a fair system, and would work all right.

168. Is there much Native and Crown land in this district?—There is a considerable area of Native land.

169. Do you think that land should contribute to the rates?—Yes.

170. If you brought in this larger contributing area and had a substantial subsidy, do you think that would provide adequate finance?—Yes, I think the Government should assist these new districts. I do not think the Government should put settlers in the back blocks without first opening up roads.

171. In opening up new land for settlement how far should the Government go in respect to providing for roads? Every settler should have road access to his holding.

172. Should the road be both formed and metalled?—I would not say that the Government should metal every road. I think that a portion of the cost of metalling should come out of the land.

173. To what extent do you think the Government should go before handing the roads over to local bodies?—I think the roads should be made and the streams bridged before they are handed over to the local bodies.

174. What is your opinion with respect to the system of dual control by Road Boards and County Councils; do you think that it is an economical and satisfactory system?—In the past it has been satisfactory, but the position is altering now. Most of the local bodies have got metalled roads, and their principal work is to keep the roads in repair. I think the time has come when in the case of moderate sized local bodies there is not much to be gained by dual control.

175. You mentioned an instance of a settler who paid 10 per cent. for an advance; is that a usual charge?—No.

176. Is that price often charged?—It is in a great many cases.

177. Has anything been done by the farmers themselves in the way of combination to regulate this sort of thing? Have the Farmers' Union not taken it up?—No, we have no farmers' co-operative associations here to assist the farmers.

178. Would not that be a very good thing to take up and deal with themselves?—I am afraid the farmers in many cases have enough to do with their own money for their own purposes without forming a fund to assist other settlers.

179. But a combined security has the same effect as money itself?—No doubt.

180. You said that the tenants should elect the Land Board?—A portion of it.

181. If they were to elect half, and supposing for the sake of argument the other two members were absent, you would have the land administered by the tenants themselves?—I think if a man is appointed a member of a local body it is his duty to be present.

182. Would you as a private landlord with a number of tenants give those tenants the right to elect their own steward?—No, but it would not be a wise policy for me to appoint a steward that would annoy the tenants.

183. You would probably appoint the steward yourself?—Certainly.

EDWARD STEVENSON examined.

184. *The Chairman.*] What are you?—I am a builder and I have had a good deal of experience of farming. I lived on the Pomahaka Estate for a year or two and I know it intimately.

185. What do you specially wish to bring before the Commission?—My opinion is that those who happen to be on the land as farmers have no more right to frame the land policy of the colony than the inhabitants of the colony generally.

186. Do you think the Land Boards should be elected?—Yes, wholly. And I hold that the parliamentary franchise should apply all round. In regard to the freehold and leasehold I am satisfied it is simply beating the air to talk about it without going into the matter more exhaustively. Personally I do not care a rap whether you call it freehold or leasehold; but I am convinced that the State should collect the whole of the unimproved land value and that the whole of the people should be equally landlords and equally free to become tenants.

187. It would be really a universal leasehold system?—Yes.

188. And the Government would collect the rents?—Yes.

189. You said the whole of the unimproved value should go to the State?—Yes; and to the local governing body. I think it should be divided between them. I also think there should be periodical revaluation.

190. What term do you think should elapse between the valuations?—In some districts the value would increase so slowly that it would not be worth the expense of revaluing every two or three years, whereas in other districts where values are rapidly increasing I think it would be desirable to revalue once every three years.

191. Do you think that would be satisfactory to the tenants?—Yes. I think what the tenant wants is security of possession and he ought to pay back to the State a fair amount. As far as the land question is concerned I am satisfied that the land of this or any country does not belong only to this generation, but to our children, and to our children's children; and when our population numbers six or seven millions this pernicious freehold, advocated by the opposition, will work disaster here as it has done in other countries. I have no objection to the name freehold, but I do object to the unearned increment going into the pockets of the private landlord.

192. *Mr. Paul.*] You say that the Land Board should be elected: what is your complaint against it?—I say that as a general principle it should be elected by the whole of the people.

193. Did you have a section at Pomohaka?—Not in my own name, but I travelled around Pomohaka doing buildings and culverts in the early stages of development of that estate.

194. Was Pomohaka a success when you were there?—No.

195. Do you recognise that the rents will have to be reduced?—Yes. Where the Government have paid too much for land the rents will have to be reduced until the unimproved value rises up to what the Government paid. Spotswood in this district was bought at too high a price.

196. There is a lot of that settlement unoccupied?—Yes, and it is likely to remain so.

197. Is that owing to the position being unsuitable?—Yes; partly to that and also to the high price paid by the Government.

198. Do you favour the lease in perpetuity?—Yes; with revaluation. But without revaluation I am convinced that it will work out worse than the obnoxious freehold that is advocated by the Opposition. I am convinced that the lease in perpetuity without revaluation is a bigger blunder than the freehold, because it is exempt from taxation and the holders have the whole of the unimproved value for 999 years, and at the same time they have no lump sum to put down to get that privilege.

199. If it is a choice between the lease in perpetuity and the freehold you would favour the freehold?—Only if the lease in perpetuity has not a revaluation clause.

200. Then you are in favour of the freehold because there is the right of accession of the freehold?—I maintain that we should exercise that right more.

201. But there is taxation of the leasehold?—Yes, with the £500 exemption, unfortunately.

202. Do you think if revaluation had been in force that Pomohaka might have been settled and farmed to advantage to-day?—Yes; I think at first the rents would have been considerably lowered, but it would not be long until the land would reach the value paid by Government and even get above it.

203. Do you not think it would be a great mistake to advocate periodical revaluation every few years?—I do not advocate periodical revaluation every few years with all land, but I think twenty-one years is too long in some cases where land-values are growing very rapidly.

204. But the occupier of the land must have security of tenure, and if there is revaluation every five or seven years, do you not think that would have an unsettling influence on the tenant?—No; I think he ought to be willing to pay what any one else would be willing to pay.

205. Would you be in favour of selling the remainder of the Crown land?—No; I favour leasing it under lease in perpetuity with a revaluation clause, and without those restrictions in regard to cropping and burning straw on the land. As long as the tenant pays his rent the State has no right to interfere as to how he farms his land.

206. You recognise that in the case of bush land the State must give the tenant some inducement to take it up?—I would propose to give him a great advantage and that advantage is security of possession, and no immediate charge on the speculative value.

207. But these settlers can have that in two or three different ways. Supposing they take up land under the occupation with right of purchase, that is security of possession?—Yes; but if the tenant is wise he will not purchase. If the right of purchase is obtained with the lease in perpetuity a shrewd business man will not purchase whether he is rich or poor, because he will be subject to taxation, and he has already got his money at a low rate of interest; but a good many settlers would require to borrow money from private money-lenders at a higher rate of interest in order to purchase; but we must remember that it is landlordism that drives people into the back blocks.

208. What inducement would you give bush settlers under your system?—They would have security of possession for themselves and their children and grandchildren for ever, as long as they paid such a fair rent as others would be willing to pay—rent to be struck on unimproved value.

209. *Mr. McCutchan.* Are you a member of the trades and labour union?—I am a member of the Political Labour League here, and I would probably have been sent to the Commission as a delegate if the notice of the meeting at New Plymouth had not been so short.

210. Are you in favour of periodical revaluation?—Yes.

211. The State has entered into a contract with Crown tenants: are you in favour of breaking that contract?—I am for this reason, that the State is continually breaking or altering the laws it has made. You cannot possibly bring in a new law unless you break some other law.

212. Do you think it is just or honourable to try and induce the State to break a contract which is entered into?—I do not approve of trying to induce the State to break a contract; but I think if the bulk of the people recognise that the unearned increment does belong to the people it should be taken by them.

213. The Government have entered into a contract and you advocate a breach of that contract?—I do not advocate a breach of the contract. I would let the present tenant die or transfer his land, and then I would revalue it. I think that some tenants want to break the contract in asking for power to make their holdings freehold.

214. Do you think the tenant's interest ceases at his death?—His interest ceases.

215. Is it not a contract for 999 years, and therefore not only a contract with him but with his heirs?—It is simply preposterous to enter into a contract with our great-grandchildren and I would certainly break such a pernicious contract.

216. What do you mean by the unearned increment?—I mean that increased value which attaches to the industry of the whole people.

217. Do you think that increased value belongs to the State?—I think what the local bodies have spent roughly should be collected as their legal right.

218. Do you think it belongs to the State?—It belongs to the local governing bodies.

219. But it is the settler's money, and is it not the increased value which that expenditure has given that belongs to the settler?—Yes; but everybody is a settler.

220. But everybody is not a ratepayer?—Yes, they are.

221. To the local body?—Yes, and to the same extent. If you pay rent you pay the rates on the land, and the landlord hands it on to the local body.

222. I am not speaking of centres of population. I am speaking of the settlement of the rural lands of the colony?—Yes.

223. Are those settlers paying rates?—Yes; those tenants are paying rates.

224. As to land purchased under the Land for Settlements Act, do you think that a restriction should be imposed as to the area that may be held by any one person?—I think you should allow a farmer as much land as he can profitably use, and he should be given a free hand in regard to cropping. If the full annual value was taken by the State I would not restrict area.

225. Can you not decrease the value of land by injudicious cropping?—Only temporarily.

226. *Mr. Anstey.*] Would you go a little further and propose to revalue existing freeholds?—Certainly I would. I would revalue both freeholds and leaseholds.

227. You had some experience of Pomahaka: had you some experience of the work done on the roads there?—Yes; the roadwork was done while I was there.

228. Was it done by co-operative labour?—Yes.

229. Was the work done economically?—No.

230. Do you condemn the co-operative system as a system or only when there is bad management?—I would condemn it as a system because the man in charge is not directly interested in the work, and therefore cannot be successful. I think the money should be expended on the contract system. I would call for alternative tenders. Whatever is the cheapest is the best for everybody.

231. Do you think Pomahaka was too highly valued?—I think it was at that time, but I also think the land is very good, and that in the future it will become a valuable property, but some of it is a long way from any centre.

232. Do you think the land is too dear to-day?—I have not been there for seven or eight years and therefore cannot say.

233. Do you think it would be wise to revalue it now?—I would want to know a little more about its present value before giving an answer to that question.

234. If the value is too dear would you be in favour of revaluing?—If the value has not increased much beyond the price paid by the Government I would not be in favour of revaluing.

235. If the tenant has taken up his farm at manifestly too high a price would you be in favour of revaluing it and letting him have it at a reduced rent?—Yes; of course, I would want it to cut both ways.

RICHARD PRICE examined.

236. *The Chairman.*] What are you?—I am a farmer and farm 320 acres—300 acres of freehold and 20 acres of leasehold. The 20 acres is leased from the Education Board on perpetual lease with revaluation every twenty-one years.

237. How do you like that tenure?—It is a very good tenure.

238. How long have you had your freehold land?—Thirty years.

239. Are you in favour of the freehold or of the leasehold?—I am in favour of the lease in perpetuity. I consider it to be one of the best systems of land-tenure ever instituted. The tenant has more privileges under lease in perpetuity, because the unearned increment becomes his asset to sell, whilst he also has his improvements.

240. You are in favour of conserving all improvements to the man who makes them?—Yes.

241. Do you think there is such a thing as the unearned increment in the case of rural land?—There is the unimproved value that increases as expenditure takes place in a district.

242. Does the goodwill include the unearned increment?—Yes.

243. Do you think the present constitution of Land Boards is satisfactory?—Yes. I think that probably under an elective system unsuitable men would be elected. So long as the Government nominate good men to the Land Boards I think it would be better to adhere to the present system.

244. I suppose you recognise that in administering the public estate it is very important that members of the Land Boards should be independent?—Yes; and they should be practical men also.

245. You think that the best result is more likely to be achieved under the nominative system than under an elective system?—I do.

246. *Mr. Paul.*] Are you in favour of giving the option of the freehold to Crown tenants under the lease in perpetuity?—No; I think they are better secured under the terms of their lease. If you give them the freehold it tends to become landlordism. In many cases freeholders go to the money-lender and eventually the land comes back to the old landlord system.

247. Is the value of leasehold land increasing in this district?—Not a very great deal now. There was a land boom a few years ago, but the values are not increasing very much at present.

248. Are there many private leaseholds in this district?—I really cannot say.

249. As to the advances-to-settlers system, are the settlers getting the benefit of it?—Yes.

250. Where the security is sufficient they get a loan?—Yes; it has never come under my notice that a loan has been refused where the settler had security to offer.

251. Are the conditions of your education lease satisfactory?—I am quite satisfied with them.

252. Do you think that system should be generally applied?—Yes.

253. What is your opinion in regard to the old perpetual lease?—It is a good system.

254. Would it be an improvement on the lease in perpetuity?—No; because the lease in perpetuity is as good as a freehold and even better, because the lessee can leave it to his heirs. I consider that the lease in perpetuity is one of the grandest land laws ever instituted in this colony. I would have taken up my land under that system, but there was no land at the time available to be taken up under it.

255. Do you think the settlers of this country will ever get land on such advantageous terms as under the lease in perpetuity?—I cannot imagine any other system that it would be better to put in its place.

256. *Mr. McCutchan.*] With reference to your education lease there is revaluation every twenty-one years. Do you not think that there may be many improvements put on the land that will not be visible to the valuer at the end of twenty-one years?—They may not all be visible, but I have the right to call in an arbitrator.

257. But will not the arbitrator be in exactly the same position as the valuer in respect to improvements that are not visible?—Of course, a man cannot make any calculations as to the value of improvements he cannot see. I have been an old valuer myself and I know you cannot value anything you cannot see.

258. As a lessee under that tenure is it not probable that you will suffer more severely inasmuch as the valuer is unable to value improvements he cannot see?—That may be so.

259. Then how can you say it is a satisfactory form of tenure?—It is a great improvement on the old twenty-one-years leasing system with no right of renewal.

260. Then you say it is satisfactory because it is better than the old system?—Yes.

261. Under the lease in perpetuity you said that the whole of the interest in the improvements should belong to the tenant?—Yes.

262. Do you know that one Commissioner of Crown Lands refused a transfer because the Board thought the consideration given was excessive?—I was not aware of such a refusal of transfer.

263. Such being the case as I have stated would you be in favour of an alteration of the law removing that discretionary power from the Land Board?—I think the Land Board should have discretionary power and should take evidence.

264. You say that the entire consideration should belong to the tenant. Do you mean that the goodwill and the value of the improvements should belong to the tenant?—Yes.

265. If the Commissioner of Crown Lands prevents certain consideration being given to the tenant surely that is depriving the tenant of his goodwill to that extent?—Yes.

266. Would you advocate a change in the law removing that discretionary power?—Yes.

267. With regard to the disposal of the lease in perpetuity by will, I may tell you that the law is that the will is subject to the approval of the Commissioner of Crown Lands?—Yes, but I think it is an understood thing that no Commissioner would refuse his approval, but I think there should be an appeal to a higher tribunal than the Commissioner of Crown Lands on the matter.

268. Do you think it is a wise thing to place so grave a responsibility upon the shoulders of one man as that of interference with a will?—I think one man should not have to do it.

269. Would you make it subject to the will of the Land Board?—Yes.

270. Do you think it is wise that the Land Board should exercise control over a matter of that sort?—They are the best fitted in the district to do it. They could take evidence and satisfy themselves that everything was right before they agreed to it.

271. Say I took up a piece of land and spent my whole life on it, and left a will; would it not be a great source of anxiety to any man in his last moments if he thought his will was going to be interfered with and that his wishes in regard to the disposal of that property be left entirely at the discretion of another power?—Yes.

272. Would you withdraw that clause from the statute-book altogether?—I would.

273. *Mr. Anstey.*] About the disposal of this property by will: are you aware of what the law is in that respect?—I am not.

274. Are you aware that the Commissioner of Crown Lands for Christchurch deliberately stated that transfers are never referred to the Land Board when property is left by will, but simply passed to the Registrar without reference to the Land Board?—That is then the law.

275. The question has been put to you once or twice with regard to the security which a tenant will enjoy under the lease without revaluation. Do you think a settler would go into the back blocks and take up land if his improvements are not to be protected to him?—I do not believe in the revaluation.

276. I think you said you would favour leasing with a periodical revaluation clause?—I did not say anything of the kind.

277. I am not speaking of the lease in perpetuity but of the lease with a revaluation clause. Do you believe in a revaluation clause such as would properly secure the tenant the full value of any improvements he might have made?—It would not secure him.

278. Would you agree to give a settler a lease equal to the lease in perpetuity, but to secure him in all his improvements?—That would be a great improvement, and I would agree with that.

279. Several witnesses have advocated the elective Land Boards—I notice you think the present system is the best: do you think it would be wise that the tenants should have some representation on the Land Board?—I do not think it follows. If the Land Boards are selected by the Government carefully, as they should be, then the Boards should be intrusted with the administration of the land, because they are in a better position to judge who are the most suitable men to place in that position; but the electors are not in the position to do that as well as the Government can do it.

280. Should it not be mandatory on the part of the Government to appoint to the Land Board a man who is a Crown tenant, if there are any in the district?—That would not make any difference so long as he was a man of practical knowledge, but I object to commission agents, town men, or lawyers being put on the Land Board.

281. *Mr. Paul.*] Are there any of that class of men on the Land Board at present?—I am not aware of any. The opinion I have given on the matter is only my own.

JOHN BROWN examined.

282. *The Chairman.*] What are you?—I am a farmer holding 500 acres under the freehold tenure in the Mangorei, about ten or eleven miles from town. I have been there practically all my life. I was elected to represent the Carrington Road Branch of the Farmers' Union. They are in favour of

the freehold being given to Crown tenants. They consider that as they have to compete in the markets of the world with countries like Canada and Russia, that give away the land, we should make the land laws of this country as attractive to the good farmer as we can. We recognise that the price of produce is fixed in London, but we have to compete with countries where greater privileges are in vogue than we have here. There is also a feeling that a bonus should not be given to the young men to leave the land and come into the centres of population, as is given at the present time through the Customs. We have to pay about 25 per cent. on our boots and I think about 30 per cent. on our carriages that come from America, yet they still come in, and it is practically giving a bonus to people to keep off the land.

283. You think we should not aim at nursing our manufactures at all?—We consider that the better the class of people you can get to farm the land the greater will be the income.

284. Would you make every one as far as possible a producer on the land?—Yes, to produce the income through the exports, as the greater the exports the greater the revenue. That money is really spent in the colony.

285. Do you not think it is a wise policy, in order to utilise the leather from the hides of our animals, to give a subsidy or a little encouragement by way of duties in order to develop these industries?—I quite agree with the Customs revenue, but if you put the duty on an imported article put it on the local article as well. At present you are not encouraging men to go on the land but to come into the centres of population, and I do not think there is any country in the world that is getting the population into the centres as fast as we are.

286. *Mr. Paul.*] You think the settler is not being taken care of at the present time?—I could not say that he is not being taken care of, but certainly there is a feeling that a great deal of money has been borrowed, which he has to pay for out of his income, and spent in the centres of population, and possibly for electioneering purposes in some cases, and not enough on the roads and railways.

287. Do you not think you are drawing the long bow when you speak of money being spent for electioneering purposes?—No, it is only human nature, and I do not think this Government is worse than any other Government in that respect.

288. Do you think the tenants should get the option of the freehold?—I believe in the bargains being kept, but if it suits both sides to alter it I do not see why it should not be altered.

289. Do you think the Government should give away the land in New Zealand?—I think the Government should fix the value of the land, and it does not matter to us on what system a man takes it up. Unless it suits both sides to alter, the man should stick to it.

290. But would you advocate the Government giving away the land?—In some cases it would be cheap to give it away.

291. Where?—All round Taupo, and even then I do not think you would get it occupied if you gave it away.

292. You think it would be an advantage to the poor man to give him the land?—Not to put him up there at Taupo.

293. You have come to the conclusion that it is not the place to put a poor man?—Certainly not, until some big man has planted that land.

294. Do you think a big man will go to that country?—It is just a matter of dollars where capital will go.

295. Do you think that it will pay him?—I quite approve of the present experiment of putting prisoners there. The best way is to plant it.

296. *Mr. McCutchan.*] Have you any experience of the ballot system?—None. I live close to a lot of Crown tenants, Block VI., Egmont, and on that property now there is not one of the original tenants, but many of my neighbours on the freehold are still there. Some of the leasehold land has changed hands three times.

297. Is it still under the original tenure?—I think so. One section has been made freehold.

298. Are the new men better than the original tenants?—I do not know. One man who wished to take the transfer was refused it.

299. Was not any reason assigned for that to the tenant himself?—It was bought from the original tenant by a man who lives away from the land. He bought so-much of this land from the original tenant and the Board sanctioned that, but they would not sanction its transfer to this man who lived in the neighbourhood, and the reason given was that he was paying too much. I know nothing about the ballot system.

300. You say that something should be done to prevent young men going into the towns?—No, I say it is a mistake to offer a bonus to people to go into the towns as is done through the Customs by putting 25 per cent. import duty on boots, &c.

301. If you take off these duties do you propose to increase the land-tax to get the revenue which is necessary?—I am not adverse to Customs taxation, but I would put it on the local article as much as on the imported article.

302. I am afraid you will kill your local industries?—Possibly, because they are established on false grounds.

303. Do you not think that these industries should be fed for a few years until they are able to stand?—Not to the extent of 5s. in the pound.

304. What tenure did you speak of as being a success?—I think the occupation with right of purchase. I also think the freehold a success, but to encourage the best men I would give any tenure so long as the land was occupied and improved.

305. Did you discuss any other question besides the freehold with the Farmers' Union?—They have discussed roads and the tariff, &c.

306. Was anything else discussed for bringing before us to-day?—Not while I was there.

307. What is your view of the present constitution of the Land Board?—I doubt if you could improve on it.

308. You have had no dealing with them yourself?—None.

309. Have you not discussed the question of the advances to settlers?—I am seldom at the union meetings as I live a long way away. I have heard it mentioned, but we have not discussed it as a union.

310. What is your idea of the value of that system?—Speaking for myself I do not believe in class legislation, and that is class legislation. It has been a good thing for the Government who had the land to sell that they have been able to lend men the money. By getting money cheaper they get a better capital for the land. In the case of my land bought from the Crown I paid 10s. an acre for it, and now land adjoining has been sold for £1 2s. 6d. an acre, and the man gets it for 4 per cent. under the eternal lease. The Government have doubled their capital, and it has been a good thing for them.

311. Do you think it has been a good thing for the settler?—He will have double the capital to pay.

312. Do you know anything about the working of it? Has it been satisfactorily administered?—I have heard them say that with the eternal lease the holder cannot get as much as the freeholder can when he wants to borrow.

WILLIAM BOLLAND DAVIES examined.

313. *The Chairman.*] What are you?—I am a farmer holding 760 acres under lease in perpetuity and the lease with the right of purchase. I prefer the occupation with right of purchase. I am paying 10s. for the lease in perpetuity, and 12s. 6d. on the capital value per acre. I am satisfied with both systems as long as the Government does not break the contract. I am opposed to revaluation, but it was not mentioned under the tenure I took up, and in those days we thought it was the best system.

314. How do you get on with the Land Board?—I am quite satisfied with it. I think the present constitution is quite satisfactory. I do not think we could manage the elective Land Board; to have that would mean putting the colony to a good deal of expense and trouble, and I think the Government should select men who are capable of giving us fair play. On one point the Land Board are a little bit easy. In the case of my block they have allowed some selectors to take up land and not reside on it, and if the residence was compulsory roads and bridges would be constructed and we should advance quickly. Those people simply make the place a cattle-run.

315. *Mr. Paul.*] Do you also believe in the present cash system?—Yes.

316. You would leave the land laws just as they are at present?—To a certain extent. I should adopt the deferred-payment system and the cash system. I think people should have the option of the old tenures.

317. Do you think there is any necessity for the deferred-payment system while you have the occupation with right of purchase?—The deferred payment in Taranaki seems to have been a very successful system.

318. Have you had any experience of the Advances to Settlers Office?—Yes.

319. Is it satisfactory?—Yes, I borrowed from them.

320. Was your land loaded for roads?—Yes, but I am sorry to say the roads are not made. We have a miserable 6 ft. track at present. The rivers are not bridged, the creeks are not culverted, and the tenants who took it up in the first instance went off it. There are very few of the original tenants there now. I am a second tenant.

321. Can you tell whether the loading has been spent?—I do not think so.

322. *Mr. McCutchan.*] In respect to the question of residence, you have two properties: are they adjoining?—Yes.

323. Which section do you reside on?—On the right of purchase.

324. There is a distinction made in the residence conditions between the occupation with right of purchase and lease in perpetuity. Do you see any reason why that distinction should be made?—No.

325. Would you advocate the lease-in-perpetuity term being reduced from ten to six years?—Yes, I would make it the same as the occupation with right of purchase.

326. Have you had any experience of the ballot?—No.

327. Would it be a beneficial change if all applicants for the ballot were examined by the Commissioners of Crown Lands before being admitted to the ballot?—Yes. I have seen instances where good men have been shut out by men who were quite unfitted to occupy the land.

328. In the case of sales for cash, would you advocate the same residence and improvements conditions as in the case of leases?—Yes.

329. Do you think under the present system of "thirds" from lease in perpetuity and occupation with right of purchase and of "fourths" from grazing lands, given to local bodies, the Government should also pay them the "thirds" from cash sales in order to assist their finance?—Yes.

330. Can you say whether the loading for your block was adequate for the roads?—I do not know.

331. If the loading had been spent would it have assisted the tenants to continue on their land?—Yes.

332. *Mr. Anstey.*] How many of the settlers have left that settlement?—The majority.

333. Have the sections been taken up again?—Yes, it is fully occupied.

334. With regard to the loading, do you think it would be wise to put an additional loading on the land provided the full value was spent?—I do not think it would be, because we have no administration of that expenditure, and do not know how it would be spent. It would not do to pay an additional rent if we got no roads.

335. Do you think it would be wise that tenants should be represented on the Land Board?—I trust the powers that be to select people to represent those tenants.

336. Do you think it would be wise that one member of the Land Board should represent the Crown tenants?—I do.

JOHN WHITE FOREMAN examined.

337. *The Chairman.*] What are you?—I am a farmer, farming about 400 acres of freehold and 600 acres of leasehold. I am under the perpetual lease in the case of the Native land I hold from the Public Trustee. I have held some of the freehold for forty years, and the leasehold for a shorter term. I favour only two tenures for the class of land we have at present available—the cash purchase and the other a lease similar to the lease in perpetuity with the right of purchase if the tenant desired it. I do not think the leasehold should be abolished, because it has enabled men with moderate means to get on the land, but I think if they had the right to purchase it would be a great incentive to them and give them a sense of security that they do not at present possess. I should go further, and say they should be allowed the right of purchase by instalments at any time. Nothing should be done to force a man into the position of being a borrower, but he should be allowed to purchase his holding if he wished to from time to time by means of his savings.

338. Do you find the Public Trustee a satisfactory landlord?—Yes; although there are certain aspects of his administration that are not satisfactory. When these leases were first offered I was rather taken with them. I thought it was a means of obtaining land without the outlay of any considerable amount of capital, but I do not suppose they are valued to-day as they were ten or twelve years ago, and in fact the tenants would be very glad to exchange them for a freehold.

339. Supposing the same tenure were maintained would those leases be better managed under the Land Board than under the Public Trustee?—We have nothing to complain of with regard to the conditions that are being imposed by the Public Trustee, excepting perhaps the question of insurance. He insists that the insurance shall be effected in his name, which some hold he has no right to do as the improvements do not belong to him. Outside that he is a very good landlord. Then the question is vexing them as to what is going to be done with regard to revaluation, and whether, if the rents are assessed on the unimproved value, it will not put a tax on them in the shape of loading that will really confiscate their improvements.

340. Your improvements are not secured to you?—They are by the terms of the lease, but there is just a doubt as to whether the tenants will benefit to the full extent of them.

341. Supposing a tenant is a little behind with his rent, does the Public Trustee grant an extension of time?—There has been no need to do that under the leasehold, but I take it that if tenants wanted time to pay their rent it would be given.

342. *Mr. Paul.*] You are in favour of two systems?—Yes; they would meet our wishes.

343. The cash and the lease with right to purchase?—That is so.

344. I suppose you do not see how a lease with a right of purchase can be given under a capital value of 5 per cent.?—I have never been able to understand why the lease in perpetuity pays a lower rental than the other unless it was to tempt people to take up the lease.

345. Can you see any advantage there is in offering such inducements?—I cannot see any advantage, unless it is that people knew that there is going to be some revaluation of, or a Fair Rent Bill to deal with, these leaseholds. Otherwise there appears to me to be a loss to the State under that system.

346. Do you imagine that the State has entered into this bargain with ulterior motives?—I could not say.

347. Do you think there is any possibility of a revaluation being applied to existing leases?—The thing would be unfair, but the dominant party in New Zealand to-day—the labour party—are instigating legislation in that direction, and I do not remember seeing a single meeting or conference of theirs where revaluation has not been advocated.

348. You know that until the last conference they were not in favour of the revaluation of existing leases, but at the last conference they made a pronouncement that leases should be revalued on the death of a lessee or the transfer of a lease. Do you think that is a fair demand?—I do not. I think it is a most unfair one.

349. Do you not think that if the State compensates their freeholder when it took his land that it should also compensate the leaseholder when it took something from him that he has a right to?—Yes, undoubtedly.

350. Have you had any experience of the Advances to Settlers Office?—Personally, no.

351. Do you know whether it has been giving satisfaction in this district?—The opinion I have formed of it is that on the whole the advances to settlers have been a benefit to the people, and has achieved the object it was brought into existence for.

352. Is there any aggregation of estates going on in this district?—I think it is rather the other way.

353. *Mr. McCutchan.*] Your Native land is subject to revaluation at what periods?—Of twenty-one years.

354. There is a valuation twenty-one years subsequently?—Yes.

355. Practically the old tenure of the land passes away in that time, and if there is to be a correct revaluation of it the valuer should have knowledge of the state in which that land was then originally taken up?—Yes.

356. Such being the case, is it not very probable that you will suffer very severely under this revaluation clause?—I think so.

357. Is not there a further objection: are not we creating a system of black landlordism under this system?—Yes; and my neighbours, their wives, and their children are working from early morning till late at night in order to pay the rent, while the Native landlord does not do one day's work in a month.

358. As time goes on of course this land will increase in value, and the evil will thereby become accentuated?—Undoubtedly. I know of lands which were valued ten years ago at about 4s. and 5s., and the unimproved value is assessed by the district land valuer to-day at from 7s. to 10s. an acre.

359. You were asked if you thought there was any reason why the State should place an additional 1 per cent. on the lease-in-perpetuity tenants, and I think you made the statement that the State at 4 per cent. could not make any profit out of it, but is not this to be taken into consideration?—My remark to that question was that I could never see why the State gave the concession of 1 per cent. on the lease in perpetuity as against the occupation with right of purchase.

360. Is not the explanation palpable when you remember the fact that the occupation-with-right-of-purchase tenants have the right to convert into lease in perpetuity, whereas the lease in perpetuity has not the same right?—That may have something to do with it.

361. *Mr. Anstey.*] Can you suggest any remedy for the unsatisfactory lease you have: do you suggest that you should be allowed to acquire the freehold?—Yes; to give the present tenants the option of purchase.

362. At what price?—It has not been discussed whether they should get it at the capital sum of 5 per cent. or at a price which would be fair to both parties.

363. Is there the same objection to leases of education reserves?—Yes.

364. Would you allow the tenants of education reserves to acquire the freehold?—I would not advocate that at present.

365. *The Chairman.*] Is there anything you wish to add?—I was asked to attend here by the Waitara branch of the Farmers' Union, and I am also Chairman of the Clifton County Council. With regard to the conditions of residence on Crown lands, I may say that the lands that are being taken up now and have been taken up for some years past are in rough broken country, which is very difficult to road. In such a case the compulsory-residence condition is rather a cruel one. It means in many cases the taking of a man's wife and family into the back country, where they have only a 6 ft. track for miles which is simply a mud canal during the winter months. The settler has to pay as much to get a doctor in case of illness as he would save in two years. Then there is the question of school accommodation; in the back country there are children growing up absolutely without education of any kind. Therefore I consider where there is no road the residence condition should be relaxed. In the class of country we have here it is an unwise provision. With regard to the practice of loading land for roads, we find that though the lands are so loaded the tenants have no information as to what the amount is, or whether it has been spent on the roads. Such a system is wrong. I have had applications from settlers asking if the Council cannot do something for them in this matter, and I have referred them to the men who could give them the information. I think the system should be altered. Another unfair thing is that when the land is loaded in this way the tenant is charged it in his rent for all time under the lease in perpetuity, but if the land was not loaded before he selected it he would not have to pay that interest for all time, it would be paid off in thirty or forty-two years. There has been a lot of discussion of late as to the question of the unearned increment. With regard to that my contention is that a man who goes into the back blocks and takes up land is fully entitled to any increased value that may take place in his holding beyond the value of his improvements. Another matter is that people have been led to believe by the Lands Department that if they took up sections where there were no roads, and the land was loaded for the roads, that the road would be made, but there are such people in my county who have held their land for eight or ten years and have not got a road yet, leaving them to a continual struggle to live and pay the rent. If some concession is not made to them, or their roads made in the near future, they will have to abandon their holdings, as their condition will be hopeless. With regard to the construction of roads by the Government, my local body has done as much as it could in that matter, but they find the task is beyond their means to construct roads and maintain them too, and unless the State gives more assistance to construct the main roads settlement cannot progress. The difficulty with regard to giving discretionary powers to Land Boards is that pressure is liable to be brought to bear on the Boards to favour certain individuals, and the Boards are placed in an awkward position, as perhaps other men are entitled to the same consideration which they do not get unless they can bring the same influence to bear.

366. You would have a rigid law on that matter?—Yes. I think that until there is a fair road to a holding the residence condition should be held in abeyance. I go further, and say that the first duty of the State is to put the whole of the waste lands in a condition to be taken up and made productive, and as long as the land is made productive it is a secondary matter whether there is a family living on it or not.

367. You think the loading of sections for roads should be published so that people would know what was set aside for that road and what was spent?—Yes. It is a matter of question whether the lands should not be let at the lowest possible prices on condition that the settlers themselves should borrow the money to make the roads.

368. *Mr. McCutchan.*] That question is hedged around with difficulties, but the solution is very simple, and that is to road the country before they put the settlers on?—Yes.

369. Do you not think the Government would be fully justified in raising money for these works and bringing our public works up to the requirements of the colony?—I entirely agree with that, and the money would be most profitably employed.

370. *Mr. Anstey.*] Can you give us any instance of hardship owing to these residence conditions being insisted on?—Yes; I have a daughter living about seventeen miles from the nearest school, and we are keeping one of her children now in order that it might be sent to a school.

371. You think in that case residence ought not to have been insisted on?—Yes. There is another case of a young man owning a freehold at Marhouni, and who got married on the understanding that his wife should reside in New Plymouth owing to the outlandish place he lived in. He was married about three years when the wife realised the discomforts of the separation, and went up there to live with him. At present there are families living at Urenui who would send their children to school if the residence conditions were relaxed. I believe the Land Board would permit a man to live away for six months, but the tenants should not be obliged to go to the Land Board to get an extension of absence from their sections.

JAMES WERE examined.

372. *The Chairman.*] What are you?—I am a farmer, and hold 120 acres freehold at Omata.

373. What tenure do you approve of as best for settling the country?—Freehold.

374. Is there any particular matter you wish to bring before the Commission?—No. I favour the freehold, and I think the present constitution of Land Boards is satisfactory.

375. *Mr. Anstey.*] Have you had any leasehold under the Government?—Yes; some years ago I had a lease with right of purchase.

376. Was that tenure satisfactory?—Yes.

377. Have you ever held lease-in-perpetuity land?—No; and I would not take up land under that tenure.

378. Do you know anything about the system of loading for making roads?—I have heard a great deal about it, and no one ever seems to know where the money is expended.

379. Do settlers complain that the loading is not expended?—Yes.

GEORGE THOMAS MURRAY examined.

380. *The Chairman.*] What are you?—I am District Engineer, Taranaki.

381. Have you anything to do with the spending of the money on loading blocks?—Yes.

382. It has been stated in evidence that settlers do not know whether this money is expended or not, and that they have got no roads in many cases for the expenditure?—It has all been expended up to the last two years. Since then it has not been all quite expended, but it is being spent. I have a list of the blocks on which loading has been expended, and it shows that the sum of £76,371 has been expended—that was from 1892 up to 1905.

383. Some settlers say they can get no information about this expenditure?—That information is all given in the last table attached to the annual report of the Lands and Survey Department.

384. I suppose the serious matter is that the money is not sufficient to make the roads required?—That is so.

385. Has any estimate ever been made of the amount of money required to form the roads sufficiently?—Yes; and for this district it is a very large amount.

386. In addition to the £76,000 for loading, have any grants been made?—On the same blocks, from 1892 to the present time, £50,586 has been expended on fifty-five blocks—that is in addition to the loans to local bodies. There have also been loans raised by the local bodies themselves.

387. Is there any road-metal available in the district?—That is a great want in Taranaki. There is only burnt papa in many places.

388. How does that do?—Very well.

389. What is about the cost of it?—It costs on an average about 12s. per cubic yard, but during the last two years it has got down to 9s. per cubic yard, owing to improved methods of treatment. That is as cheap as shell rock, and it lasts much better.

390. Apparently there is no hope of getting these roads made in a satisfactory way except by the expenditure of an enormous sum of money, which it is beyond the power of the settlers to raise?—Yes; besides which it is very difficult country in which to maintain the roads in good order.

391. *Mr. Paul.*] The general complaint of the settlers is that they take up the land and are promised roads, and do not get them. You are sure that the amount of loading is spent?—Yes, up to within the last two years.

392. By what system of labour is that money expended?—In the early days it was by open contract, but for the last ten years it has been by co-operative contract.

393. Is that satisfactory?—Yes, for bridle-tracks and for roads very far back, but it is not quite so satisfactory for bridges.

394. Why?—Where a large plant is required, it is not so satisfactory.

395. In forming these roads are modern appliances used or is the whole of the work done by wheelbarrows and out-of-date methods?—In the case of bridle-tracks they only require wheelbarrows, but in the case of dray-roads other methods are adopted.

396. Do you think the settlers get the best value for their money under that system?—Yes.

397. Do you think that the co-operative-labour system is satisfactory?—For bridle-tracks it is as cheap as any other.

398. *Mr. Anstey.*] What system is followed in fixing the amount for loading?—It is on the value required.

399. It is fixed on the requirements as to the roads?—No, by the value of the land.

400. Roughly speaking, would the percentage be 25 per cent. on the value of the land?—It is usually about 20 per cent. on the value of the land.

401. Do you consider that the loading is sufficient to give the necessary access to the land?—It is not sufficient.

402. Do you think it would be wise of the Government to put on a much heavier loading and provide suitable access to the land, charging possibly a somewhat higher price for the land?—Yes.

403. Do you think that would be better than cheap land with no roads?—Much better.

404. Why has not the last two years of loading been expended?—We have not had time to expend it. We are expending the money now at the rate of about £8,000 a year.

405. Do settlers go on the blocks before there are any roads made to them?—Yes, generally. I think the main roads should be put through first. The settlers do most of the work now.

406. But they go on the land first?—Yes.

407. Is that a better system than doing the roads first?—It is a great help to the settlers to be able to assist in making the roads.

408. What is your opinion as to the best method of administering the local bodies' funds; either by one local body or by two?—I could not answer that.

409. With regard to your own expenditure, would it not be more economical for the local body to expend the money?—I do not think so. We have been asked by some of the local bodies to expend their "thirds," and I have been doing so. We have the machinery for expending that money, and we can do it more economically than they can.

410. *Mr. McCutchan.*] What do you mean by co-operative contracts?—Contracts are let to men who band themselves together to do a certain piece of work at an estimated price given by the engineer

411. Under such circumstances it is really at the price fixed by the engineer?—Yes.

412. Do you not think it would be preferable to let the work in small sections and invite tenders? It can be done, but I think the prices given now are very fair according to the capacity of the man. We pay the men according to the amount of work they do.

413. Is there not a complaint that if the men worked long hours on one piece of work, and thus earned big wages, that the price of the next piece of work is cut down?—I have heard that said, but there has been no variation in price in this district excepting in bridge work. The wages have been very uniform. As to the loading and the money expended on that account, I think it should be sufficient to give bridle-track access.

414. And then the road is handed over to the local body?—No, I do not think so. I think the main roads should be made by the Government before the blocks are opened up.

415. You are of opinion that the roads should be formed before being handed over to the local body?—Yes.

416. Has it not also been the practice of the Government in the past to metal all the main roads?—Not so far as I know.

417. Is it not the case that a large amount of money is frittered away in maintenance?—It would have been cheaper to have formed and metalled straight away one road that has been mentioned (Ohura).

418. Do you not think that no road should be considered a county road until the Government ceases expenditure upon that road and vests it in the local body?—Yes, it would be more satisfactory if the Act said so.

419. *Mr. Anstey.*] What point do you think the Government ought to reach before handing over roads to the local bodies?—Under the present regulation the road must be made at least 10 ft. wide.

420. Can you suggest any way in which these roads can be made?—They throw open the land too quickly I think. The Government cannot supply the money quick enough to open up these lands and make them fit to live upon.

421. In that case would you suggest going in for a larger loan for the purpose of that system being carried out?—Yes, or keep back the settlement of the land.

THOMAS MORGAN examined.

422. *The Chairman.*] What are you?—I am a farmer, and hold 126 acres of freehold. I may say that I am an old deferred-payment settler, and I have come here in support of that system. I farmed a deferred-payment section in this district for twenty-four years. I favour that system, especially for working-men, as it enables them to get along successfully.

423. Is there any point you wish to emphasize?—Yes, I am of opinion that the present constitution of Land Boards should be retained. I may say that I have always been treated fairly by the Land Board. I am in favour of the freehold tenure or the deferred-payment system, which is practically a freehold, or the lease with right of purchase. I would make residence compulsory in the case of both leaseholders and freeholders. As to the homestead privileges, I consider the deferred-payment system preferable. As to the present system of loading for roads, I think we are pretty well unanimous that it does not work satisfactorily. Having been an old back-block settler I know the hardships and inconveniences they suffer. Personally, I would give the settlers the land at the lowest possible price, and allow them the privilege of making their own roads. As to the advances-to-settlers system, I am well inclined towards it, but I think that some slight improvement might be made in its working. For instance, no refund is made to an applicant if he does not get a loan.

424. *Mr. Paul.*] Do you represent any body of settlers before the Commission to-day in what you say?—Yes, the Tikirangi and Waitara branches of the union.

425. Were you appointed by resolution?—Yes.

426. How many members are there in that branch of the Farmers' Union?—I think there are between thirty and forty members.

427. Have you any objection to the occupation with right of purchase?—No, but I think the deferred payment gives a greater incentive to a young man to improve his place and make it his own.

428. Do you object to any system of straight-out leasing?—There is a feeling of insecurity about it.

429. Is it not just as likely that the freehold will be interfered with as the leasehold—that is if the State is disposed to break any contract?—I do not think it would.

430. Do many freeholders get into the hands of the mortgagee?—Yes, a fair number, but they get out again.

431. Were many deferred-payment holders in the hands of the mortgagee?—I do not think there are any who have a mortgage, except when they wish to add to the area of their holdings.

432. Do you not think the system of leasehold is necessary to enable the poor man to get on the land on advantageous terms?—I think the poor man will get on the land just as well one way as the other.

433. Is it not easier for a man to pay his rent under lease in perpetuity than to get the freehold, because in the former case the price of the land is not paid?—The actual cash needed when the settler starts is less, but I maintain that the man who has a freehold makes the best settler.

434. Is there anything in the conditions of the 999-years lease which prevents a man farming his land to the best advantage?—Leaseholders say that they do not feel in the same position as if they were freeholders. They have a feeling that something might happen which they cannot foretell.

435. Is there any aggregation of large estates going on in this district?—No.

436. *Mr. Anstey.*] You said you would be in favour of doing away with loading and of letting the settlers make their own roads?—Yes.

437. Where do you propose that they should get the money from to make the roads?—They would have to borrow it from the Government, as at present, but they would have to see that it was advantageously expended.

438. If they borrowed the money and paid the interest on it they would have just the same amount of loading on the land except that they would have something to say in the expenditure?—Yes.

439. Do you think that settlers on a newly opened block of land would have the means of expending the money better than the Government?—Yes, I think so.

440. Supposing only half the sections in a new block were taken up, what would be the position then?—I am only referring to the main roads.

441. How are you going to put the main roads in?—It must be done by the Government.

442. Is that all you would expect the Government to do—the main roads?—Yes, and I think the settlers would do the rest of the work if they could get the money to do it with.

HENRY WAITE examined.

443. *The Chairman.*] What are you?—I am a farmer, and hold 264 acres lease in perpetuity at Tarapa, and I have been on that section for six years. My rent is 15s. per acre, capital value.

444. Are you satisfied with your land under that tenure?—I am not satisfied with that tenure; I prefer the occupation with right of purchase.

445. When you took up your land had you any choice?—Yes, at that time I preferred the lease in perpetuity.

446. Who has altered your opinion on the matter?—The main point is that you cannot finance under the lease in perpetuity like you can in the case of the freehold and occupation with right of purchase.

447. Is there any other point you wish to bring before the Commission?—I prefer the old perpetual lease. According to my observation in this district, the deferred-payment system is before any other. All the small holders at Inglewood are perpetual leaseholders—at any rate the majority of them. I may say that I represent the Tarata settlers. We held a public meeting, and there were twenty-five settlers present.

448. Are they mostly under lease in perpetuity?—No, I think they mostly have the right of purchase.

449. So that in advocating this system they are only advocating it for the general good of the country?—Yes.

450. Have you had any dealings with the Land Board?—I think the Land Board as at present constituted is very satisfactory.

451. Have you had any experience of the Advances to Settlers Department?—Yes.

452. Has it been satisfactory?—Yes.

453. As regards the opening up of new blocks, what do you think should be done in the way of giving access to the land?—I should strongly advocate that a 6 ft. track should be made by the Government before the block is thrown open, and that the cost should be put on the price of the land. I think that the feeling of the settlers in the bush blocks is that they would willingly pay the increased amount instead of having to rely on promises, when those promises are frequently not fulfilled.

454. *Mr. Paul.*] Do you prefer the perpetual lease to the lease in perpetuity?—Yes.

455. Why?—It is much easier to finance.

456. Is that because it contained a freehold clause?—Yes.

457. Why do you prefer that?—Because under it a settler can pay for his home in small instalments, and he is more assured of it than he is under a perpetual lease.

458. You are a straight-out advocate of a system with an option of purchase?—I am.

459. Have you tried to finance this holding of yours?—No.

460. Then the only objection you have against the leasehold does not apply to you personally?—No, but from what I have heard from others who have tried, I am sure I would be in the same position that they have been.

461. You expect to get as much in the way of advance on reasonable terms on a leasehold as you do on a freehold?—No.

462. You recognise that you cannot reasonably expect that?—No.

463. Where does the disadvantage come in?—Do not you get an advance in proportion to the amount it costs in the case of a leasehold?—No, I think that anybody lending money would fight shy of a perpetual lease altogether. It is not my experience, because I have not tried, but it is with others.

464. You mean to say that it is impossible to get a loan on a lease in perpetuity?—I do not say it is, but it is very unlikely.

465. Is there anything in your conditions of lease which interferes with your using that land to the best advantage?—No.

466. *Mr. McCutchan.*] In respect to the perpetual lease as a security, you are of opinion that it is almost impossible to get money on that security?—In perpetuity.

467. Is it not the case that the Government office, where formerly they only advanced 50 per cent., are now advancing up to 50 per cent. on the goodwill as well?—I do not know.

468. Would that go to prove that it is a better security than formerly in the opinion of the Government?—Yes.

469. You advocate the deferred-payment system inasmuch as a man acquired the freehold by easy payments: you would extend the term so as to make the payments as light as possible?—I should give them every possible advantage that I gave to any Crown land occupier.

470. Do you think if the term were extended from ten to twenty years it would be a preferable tenure to the occupation-with-right-of-purchase tenure?—I think it would be.

471. If the occupation with right of purchase were amended in the direction of allowing a man to pay in his savings from time to time, and of so reducing his capital value and of proportionately reducing his rental, would not that overcome your objections?—I think it would bring it to one and the same thing as the perpetual lease.

472. Of course, with the occupation with right of purchase, you have the right to pay off the land in the bulk sum, but the amendment I suggest to you is that the State should take the capital value by instalments and reduce the rent accordingly. Would you consider the tenure then as good as the deferred-payment tenure?—Yes.

FREDERICK JOHN VIRGIN examined.

473. *The Chairman.*] What are you?—I am a farmer farming 982 acres of freehold at Tarata. I have held part of it for twelve or thirteen years. It is all bush land, originally obtained from the Government. All excepting 50 acres are cleared and in grass. The grass is holding very well.

474. Is there any matter you wish to bring before the Commission?—I have come here as representative of the Tarata branch of the Farmers' Union, which has had as many as fifty members. They passed a resolution in favour of the freehold, and that the option should be given to leaseholders to acquire the freehold, with a restriction as to the aggregation of large estates. Some of the members are leaseholders, but principally freeholders; but those who are leaseholders would like the option of getting the freehold. They say there is a difficulty in financing the leaseholds as the banks would not do business so readily with them as with those who have the right of purchase. They are dairying in my district and there is a dairy-factory there, but I am grazing myself.

475. *Mr. Paul.*] You think the main objection to the lease in perpetuity is the difficulty in financing?—Yes. At present the feeling of insecurity is so great that the banks will not advance money so freely on that lease.

476. If they get the option of the freehold you think the banks would lend money?—Yes, I know they would.

477. How do you think the average tenant would come out under that system if he started to acquire the freehold whilst in the hands of the banks?—I think a man with fair education and business ability would come out all right.

478. You think that is a good system?—Yes.

479. And if the option is given, is that the means by which the majority of the tenants would acquire the freehold?—Some would do it under the advances to settlers.

480. Do you think the settlers are not in such a good position that they can acquire the freehold out of their own money at the present time?—Not the majority.

481. Therefore the freeholds which would be purchased if the option is given would be all borrowed money?—To a great extent.

482. *Mr. McCutchan.*] You think the lease in perpetuity is a poor security?—Yes, it appears to be.

483. In view of the agitation of the trades and labour unions of the colony, do you think it would be a negotiable security in the future?—It appears to be growing less. It is owing to this agitation of the Trades and Labour Council that security has been destroyed. People are afraid that the time will come when there will be revaluation which will take away the value of their property.

484. Do you think this agitation will be fatal to the lease-in-perpetuity tenure?—I do not think settlers will be prepared to go on to the lands of the colony under that system in future in view of that agitation.

485. *Mr. Anstey.*] You say your union has had up to fifty members: what is the membership now?—I cannot say. It is slightly under that of last year.

486. Have you discussed the question of the freehold?—Yes.

487. And you decided to favour the freehold?—Yes.

488. Did you discuss any other question?—Yes. With regard to the constitution of Land Boards we were unanimous that as regards Taranaki the present system has been satisfactory.

489. Did you discuss the advances-to-settlers system?—Yes. My experience of it was satisfactory as far as it went, and I think the settlers generally are of that opinion.

490. Did you discuss the ballot system?—Yes. We thought the ballot system could not be improved on much, but we thought that the Land Boards should have discretionary power in cases where men had been applying for the land at the ballot for several years and had been unsuccessful. I know of cases where a man and his wife had been applying five and six times. They would have made very desirable settlers, but have had no luck in getting a section through the ballot. I think in cases where it was shown that a man was a desirable settler and wished to get the land that the Board should have discretionary power to grant that man some land. The man I speak of is one with small means and only wants a small piece of pretty good land, and, of course, it is useless for him to apply for the best section, and he has not sufficient capital to take up any of the large second-class sections which are often available after the best of the land has been allotted when a block is first opened up for selection.

491. Are there many leasehold members in your union?—I know of only four.

492. Are there many leaseholders in your neighbourhood?—Not many.

493. Are there any holding lease in perpetuity?—I know of four.

494. Is there anything in their lease to prevent them developing their farms to their full extent ?—Only this feeling of insecurity.

495. Do leaseholders improve and farm their farms as well as the freeholders ?—No. The leaseholds I know of have changed hands two or three times. They are leases in perpetuity.

496. Does your union propose to give the right of purchase of all leaseholds ?—Yes.

497. Including the leaseholds under the Land for Settlements Act ?—We have no experience of that Act in our district, so we did not discuss it.

498. *Mr. McCutchan.*] With reference to the ballot, would you give the Commissioners of Crown Lands the power to examine all applicants for land in order to reject the undesirable applicant ?—Yes.

499. Would you give a married man any preference over a single man ?—Yes.

500. And unsuccessful applicants at previous ballots the preference ?—Yes.

501. *The Chairman*] Is there anything you wish to add ?—As regards this loading for roads it seems desirable when land is opened up that the main road should be put through as well as a 6 ft. track made, so that the men could see their sections. I think the cost of that should be put on the land, but as it is done now the loading is put on in the first place and you have to wait for years before the road is made. I would not object to the loading if the road was made first. Some witnesses to-day advocated a larger amount of loading. I think it would be better to do it by way of loans. On the Motukawa Road, where I live, there was 6s. 6d. an acre put on that land by way of loading and the money spent by co-operative work ; but I think it would have been better expended under the local bodies. The settlers would be able to earn some of that money spent on making the roads, and it would help a poor man taking up new land. Under this system of loading land, which is rented at 17s. 6d. an acre with 6s. 6d. for roading, we have to pay interest on it in perpetuity, whereas if we had the loans we could pay the loan off in twenty-six years at 5 per cent. I think we are losers to that extent in having to pay the interest for all time instead of wiping it off in twenty-six years.

502. *Mr. McCutchan.*] You advocate the Government putting in the main roads and the settlers making the by-roads ?—Yes.

503. I suppose you are aware that the Government under such a system would make a very substantial profit out of the land ?—Yes.

504. Do you not think, under a system of borrowing for reproductive public works, that is too much of a tax to place on the settler to road the country seeing that that road was a colonial work ?—I say the land should be let at a cheaper rate if the roads are not made.

505. I suppose you know that numbers of these Native blocks have been acquired very cheaply by the Government ?—I cannot say as to that.

506. Draw a contrast between the railways and roads—the State puts in railways, and why should not the State put in all roads ?—That is rather a large question, but the country has to pay for it in whatever form you put it.

507. Does not every part of the colony benefit by it ?—Under the present system of the Government putting in roads they simply add it to the value of the land, so that it amounts to the same thing if we raise the loans ourselves.

DAVID HERLIHY examined.

508. *The Chairman.*] What are you ?—I am a farmer holding 290 acres under the freehold tenure at Kaimati, twenty miles from New Plymouth. I have been two years there and farming previously for sixteen years. My land was bush land, but is now mostly cleared.

509. What tenure do you think best for the country and the settler ?—The perpetual lease, the deferred payment and cash right of purchase.

510. Do you know anything about this lease in perpetuity ?—I have had nothing to do with it.

511. Do you dairy on your farm ?—Yes, we supply the creameries. We have very good roads, but we have paid for them ourselves and are not under any obligation to the powers that be for them. We got no grants that I know of. We pay 3s. an acre for rates. I represent the Kaimata branch of the Farmers' Union, and we advocate the freehold or the right of purchase.

512. *Mr. Anstey.*] How many members are there in your branch ?—About thirty-five.

GEORGE BOCOCK examined.

513. *The Chairman.*] What are you ?—I am a farmer with 99 acres. I am under the deferred-payment system, and previous to that the perpetual lease. I favour the freehold. I have been seventeen years on this land at Kaimata. I am dairying ; I live on the main road ; my rates are fairly high. When I say it was previously under the perpetual lease I mean that one side of the road was deferred-payment and the other side was perpetual lease. But we got no chance. The man with small means would not be able to do much on such an area, but, as the sections on one side were larger than on the other, I took it all up on perpetual lease, and after some years I paid an extra 25 per cent. to have it on the deferred payment. I converted the lease in order that I might have a place of my own when I was old and could not work, and should not have to go on charitable aid. That sort of thing I saw a good lot of in the Old Country : small tenants, principally from Ireland, had to go to England in harvest time to earn money to help to pay the rent, and I do not want to be placed in that position here. I strongly object to landlords, either State or private individuals. I would make it illegal for any man to hold beyond a certain amount of land, either freehold or lease, in order to give every hard-working honest man a chance to make a home for himself. I would leave Land Boards as they are as I am perfectly satisfied with the treatment I have received from the Board. I do not think an elective Land Board would be an improvement on the present system, and that seems to be the feeling of the Kaimata branch. The feeling I have indicated is also their opinion in regard to the deferred-payment system. In that locality practically the whole of the perpetual leaseholders have either converted to

the deferred-payment system or bought the land out; and having borrowed the money they saw their way clear to repay it back, and now they are the flower of the country.

514. *Mr. Paul.*] Do you recognise the system of State ownership of land to be an improvement on Irish landlordism?—I prefer the Irish system.

515. *Mr. McCutchan.*] Following up the parallel between land legislation in New Zealand and in Ireland, is it not the case that the British Government are acquiring properties in Ireland at the present time by purchase in order to make the tenants of those estates the freeholders?—I believe that is the case, and it is also being sold on the deferred-payment system.

516. Do you think it would be wise to do the same thing in this colony?—In the interests of the colony, and of all classes, decidedly it would be.

517. With regard to your advocacy of the deferred-payment system, was it not the fact that under the deferred-payment the settlers found the greatest difficulty in keeping the instalments paid up?—If you set a man to do a certain thing he will put his best foot forward to do it if he has his own strength.

518. Do you not think if the occupation-with-right-of-purchase system were amended in the direction of allowing the leaseholder to put in his savings from time to time, and thus reduce the capital value and rent proportionately, that that system would be preferable to the deferred-payment system under which 25 per cent. is placed on the capital value of land?—If he could pay his principle off in instalments when he had the cash it would be certainly preferable.

519. You advocate the occupation-with-right-of-purchase system being amended in that direction?—Yes; because that would be an improvement on the deferred-payment system.

CHARLES TAIT examined.

520. *The Chairman.*] What are you?—I hold 612 acres under the freehold at Manaia, and have held some of it for over twenty years. I took up four sections for cash and one on deferred payment in the days of the freehold. I have improved it and the holders are dairying on it.

521. Is there anything you wish to bring before the Commission?—I maintain that any man who is a true man ought to have a freehold section by means of the deferred-payment system. He is more independent. The Manaia country has been settled through it, and it is now the best district in New Zealand. All the settlers are doing fairly well there. Where my land is the roads are very good; I am on the Manaia Road.

522. How did you get on with the Land Board?—I was not under them. I think the constitution of the Land Board is fairly satisfactory.

523. Is there any aggregation of farms going on in the Waimate Plains?—Yes.

524. Much buying of one another out?—Some, but not much.

525. What is the largest farm there?—I do not know. A Mr. Glenn is the largest holder there now.

526. *Mr. Anstey.*] You say you are in favour of the freehold?—Yes.

527. Do you think that tenants ought to have the right to acquire the freehold?—Yes.

528. You have had some tenants on your own land?—Yes.

529. Did you give your tenants the right to acquire the freehold?—No.

530. You do not think they ought to have that right?—No.

HAROLD TRIMBLE examined.

531. *The Chairman.*] What are you?—I am a farmer and also the Chairman of the Moa Road Board. I farm about 300 acres under the freehold tenure, and have been farming about twenty-six years here. I believe in the freehold. Nearly all the land round about where I live was taken under the deferred-payment system, which was a good system. It is not the law now, but it enabled those people to acquire the freehold. My land was bush, but it is clear now. I live on the main road, so that I am all right, but as to the roading generally I wish to say that in the back parts of the country the roads are fairly good on the whole, because the settlers have borrowed money under the Loans to Local Bodies Act to construct them. We have borrowed about £25,000 altogether in that district, but there are many out-of-the-way parts where the roads are very bad, and there seems to be great difficulty in getting them made, because they were never made properly to begin with. They were not bridged, and the settlers in the back blocks have not the same chance of raising loans as they are always outvoted by those in front of them. In addition to that there are places where the roads were laid off very badly in the first instance. One place is about four miles from Inglewood, and only one man lives on the bad part of the road. The road is fairly good up to this land, but he is prevented having a good road because he cannot raise a loan by himself to make it. Unless the Government provide a grant to improve it I do not see how he can ever get a road. The country is all taken up; it is hilly country, but he is the only one in this really bad position. With regard to the overlapping of Road Boards and County Councils I think one or the other ought to be abolished as there is no necessity to have two local bodies exercising the same jurisdiction over the same country. I do not favour very large counties because of the difficulty of administration, but I think the present Road Boards are rather too small. One or the other ought to go, and the counties, or whatever you call them afterwards, should not be too large. My district is in the Taranaki County.

532. Could one Council work the whole of the Taranaki County without Road Boards at all?—I think it would be better with more than one county. You want to retain the community of interest, and you would not be able to do it if you kept the whole of the Taranaki County in one. You want smaller counties larger than the Road Boards at present so as to keep community of interest as much as possible.

533. *Mr. McCutchan.*] How many Road Boards are there in your county?—Twenty-two, and I suppose they must have separate staffs of engineers and other officers.

534. Does not that absorb a large portion of the revenue?—I think it must do. There are some down here who have only one road to look after.

535. You advocated the abolition of Road Boards?—Yes.

536. How do you insure your finance under the County Council?—We have very large rating-power now.

537. Do you not think the subsidies should be proportionate to the rates?—Yes. A pound-for-pound subsidy would give them ample for finance.

538. If all grants were abolished and a pound-for-pound subsidy given by the Government, not only upon the general rates and special rates, but on the special rates for loans, would not that supply sufficient finance to the local bodies?—I think we should have too much. There would be more than there would be any absolute necessity to spend.

539. Supposing there was a pound-for-pound subsidy and you required £2,000 a year, you would levy your £1,000 in rates and get a subsidy for the balance?—We levied more than that in special rates, but I think the subsidy would be more than is necessary.

540. You would make it 10s. in the pound?—I think that would be ample.

541. Do you not think the Government should give a special subsidy on the rates for new districts?—Yes, but I think the land must bear the cost of the roads.

542. That would be sound policy if we ceased borrowing, but while we continue borrowing for public works surely they are entitled to some portion of the money, seeing that they are also helping to pay the interest?—Yes, if the subsidy is used for new works, but not if it is used for ordinary maintenance.

WILLIAM HALE examined.

543. *The Chairman.*] What are you?—A farmer holding nearly 300 acres, partly freehold, and partly leasehold from the Education Commissioners. One of my leases has nearly expired and the other has twenty-one years to run. They were for thirty years and twenty-one years. My terms and conditions are satisfactory. I have it with compensation at the end of the term, and I am rated for improvements up to £4 an acre with the right of renewal. At the end of the term the question of the rent goes to arbitration before renewal, each appointing an assessor.

544. What do you think is the best tenure for the country and the settler?—The freehold. I have been in New Zealand forty-two years. I represent the Lower Egmont branch of the Farmers' Union, and they sent me here to advocate the freehold; they are unanimously in favour of it. There are between thirty and forty in our union. There are some leaseholders like myself holding land from the School Commissioners and Maori leaseholders, but in the case of Maori lands there is no compensation at the end of the term. I pay for one piece 4s. an acre, and for another 11d. an acre, but the latter was all swamp when I took it up.

545. *Mr. Paul.*] Are the conditions of this education lease satisfactory?—Very satisfactory, indeed.

546. Do you think a system for the Crown lands with similar conditions should be inaugurated?—I think it would be an advantage to people with small means. If they were treated as well as we are treated by the Commissioners they would have no cause to grumble.

547. *Mr. McCutchan.*] You have a revaluation clause in your lease?—Yes.

548. At the end of what term?—Twenty-one and thirty years.

549. Do you think your lease a better lease than the 999-years lease without revaluation?—I do not know, not having had any experience of it.

550. You were asked a question, if you thought it was a satisfactory form of lease: would you consider it as satisfactory if you had had a lease for a long term without a revaluation clause?—For a long term I should prefer the lease in perpetuity if there was no revaluation.

551. *Mr. Anstey.*] You say you favour the freehold for all Crown lands?—Yes.

552. Why that particularly?—I should say give the leasehold as well, but not make a hard-and-fast rule to sell all land as freehold. If a man wanted to take up land I think he should have the right of purchase.

553. Do you think you ought to have a right of purchase of this education lease?—It would be all the better if we had it.

554. Do you think you have any right to get it?—I do not think so with the agreement we have.

555. Do you think the leaseholders of the Crown have any right to it after they have entered into the lease?—I do not think so. Having made the bargain, I think they ought to stick to it.

CHOTWILL BILLING examined.

556. *The Chairman.*] What are you?—I am a farmer holding 400 acres under the lease in perpetuity and occupation with right of purchase. I am satisfied with my tenures, but would rather have the occupation with right of purchase than the lease in perpetuity. I have held the occupation with right of purchase for about four years, and the lease in perpetuity only a few months. I had to take the lease in perpetuity to get access to the block. My farm is about ten or eleven miles from here, on the Upper Carrington Road, and is still mostly bush land. We have no roads, and that is what we complain about. There is a bad river to cross, and when I took up the land I had no idea the fresh would rise as high as it does. It is a dangerous stream.

557. Is there any chance of getting a bridge across?—I have tried to get one, but have been unsuccessful.

558. Are there any road-operations going on in your district?—No.

559. What is your opinion with respect to the constitution of Land Boards?—I am quite satisfied with the present constitution of the Land Board.

560. *Mr. Paul.*] Did you have the option of taking your lease-in-perpetuity holding up under any other tenure?—No, I took it over from another man. He found he could not make a living there, and I shall be in the same predicament if I cannot get a bridge.

561. Is there anything in the conditions of your lease that prevents you farming your land to the best advantage?—If you want to sell out you will hardly get the value of your improvements for the lease in perpetuity.

562. *Mr. McCutchan.*] Have you had any experience of the Advances to Settlers Department?—No.

563. *Mr. Anstey.*] Do you advocate having the right of purchase in connection with your lease in perpetuity?—Yes.

564. Do you think you have any claim to that right?—No, I do not say that I have. I think that it is only right I should adhere to my agreement, but we know that the Government alters such things, and if an alteration is to the advantage of both parties, surely it would be better to make the alteration.

565. With regard to the loading on the land, do you think it would be wise to put on a larger loading, providing the money was economically spent and the necessary access was given to the land?—I think that access should be given to the land before it is thrown open and then loading put on, because if it is put on before selection we are paying rent on this loading and there is nothing done for it.

566. It has been pointed out that the making of these roads is an advantage to the settlers?—Yes, it is in one way.

567. You think it would be wise to put a little more loading on the land and make better roads?—Yes.

WILLIAM THOMAS JENNINGS examined.

568. *The Chairman.*] What are you?—In the early days my family were farming, latterly I have been employed at printing, and at the present time I am a settler and a member of the House of Representatives. I am interested in a partly improved farm in the Auckland Provincial District, and I have freehold land here.

569. What tenure do you favour?—I believe in the restricted area of freehold, but I would retain the present three optional systems. If you will permit me I would like to make a general statement in respect to one or two points affecting the settlement of the land, the advances-to-settlers system, &c. I have a very extensive electorate to go through. It extends into three provincial districts—Auckland, Wellington, and Taranaki. I find on conferring with the settlers that there has been a considerable amount of dissatisfaction in connection with the advances-to-settlers system, so much so, that last session I moved for a return in the House of Representatives, and a return was furnished, showing that there had been about 760 refusals to settlers that had applied for loans since the inauguration of the office. These refusals had been to settlers holding under the lease-in-perpetuity tenure. There is another cause of dissatisfaction freely expressed by the settlers. They say that when they apply for a loan, although a valuation had been made for some time previous to the application, they have to pay the extra guinea or two guineas, as the case may be, for a fresh valuation. In regard to the loading of land for roading and accrued "thirds," that has been a source of discontent amongst the settlers in my electorate. I heard the District Road Engineer give the figures to-day; but still there is a feeling amongst the settlers that they cannot get sufficiently clear information as to what becomes of the loading-money and also of the "thirds." Let me give a case in point. A settler on the Piko Road came into town some twelve or fifteen months ago, and asked me to get information about his "thirds." I took him up to the then Commissioner (Mr. Mackenzie) and I asked him what was the position of the "thirds." We were told the amount. I may say that that settler has since been told by the Clifton County Council—the body that has jurisdiction over his road—that there is nothing equal to that amount told him standing to the credit of that road. That is typical of a good many other cases. In reference to Crown Land Boards, I am in favour of the present system of nomination. An elective system would be too expensive, particularly in widely scattered districts such as some parts of Taranaki, Wellington, and Auckland Provincial Districts; but I think the Crown tenants should certainly have a representative on the Land Board. Heretofore they have been to some extent debarred from that. Another disadvantage in respect to Crown Land Boards is this: For instance, Taumarunui is in the Auckland District, the other side of the river is in the Wellington Land District. One of the settlers there, at Manunui, who has been for two years in the district, informed me that he had made an application nearly two years ago to the Wellington Land Board in respect to the opening-up of land at a place called Mamanui, near Piriaka. I brought the matter under the notice of the Wellington Land Board, and also under the notice of the Minister of Lands. That matter has been before the various authorities for the last two years. This particular settler, who wished to build a house for his family and further improve the place, has written to me stating that the settlement of the question is as far off as ever, and he was now disheartened at the delay, and would throw up the sponge. This settler lives very far away from the Wellington Land Board, and it would be very expensive for him to come down to Wellington to represent matters. I think there should be some central authority at Te Kuiti capable of dealing with questions affecting land in that district, as well as in the Auckland and Taranaki Districts. For settlers to come down here would mean that they would have to go to Auckland, thence here, and on to Wellington. That would mean an expense to them of nearly £20 if they wish to represent matters to the Commissioners or the Land Boards. I think that difficulty might be very easily settled if some central authority were stationed at Te Kuiti to deal with questions affecting would-be settlers. There is one other matter

which I wish very strongly to bring before the Commission. I do not know whether it comes within your order of reference, but it has reference to a regulation as to carrying goods on roads under Government control. Up to the beginning of this year there was in force a regulation from the Roads Department to the effect that settlers could not cart the absolute necessities of life—that is, a store-keeper could not send them over certain roads. This is a very grave question to many in outlying districts where there are no local authorities. Let me mention a case in point. In December last the weather was very bad for over a month, and the steamer could not get out from the Waitara to the Mokau River. The road also to the back blocks in the district were absolutely impassable, particularly over Mount Messenger. The mail-coach could not get through. The result was that the settlers were absolutely in the position of wanting provisions, and when the steamer got in to Mokau the store-keeper took some of the provisions to the settlers along the route. The result was the driver of the vehicle was summoned to appear before the Court at Hamilton, nearly a hundred miles away from Mokau. That appeared to me to be a most undesirable state of affairs, and I brought the matter under the notice of the Premier and the Minister for Public Works. The result was that the regulation has been relaxed in so far as what are called “necessaries of life” can now be carried. Only yesterday I received the following letter from a settler at Mangapapa, in the Matiere district:—

“Matiere, Ohura, 19/5/05.

“DEAR SIR,—I am not in the habit of making complaints, and have never laid a complaint before any authorities up to the present time, but I think I have just cause for bringing under your notice a case in which I am directly interested at the present time. I am a settler in the above district, and my wife obtained our section at the ballot of last March twelvemonth. I felled some scrub during last winter, and have since burnt and sowed somewhere about 30 acres. I and my wife arrived here in the early summer, intending to build a house and reside on the section. As there is no timber available on the section for building, I went to the sawmill at Matiere, about four and a half or five miles distant, and bought my timber. I have repeatedly tried to get a bullock-driver to cart this timber, but the only answer I could get was that as soon as two culverts were in my timber would be brought out. Sir, would you believe that the places for those two small culverts were cut out during last winter. That is a fact, and yet, in spite of urgent representations, no action has been taken in regard to those culverts until last Monday week, the 8th instant, when a man was sent up to put them in. An excuse was made that there was no one in the district who could put them in, but I know of at least two men who could do it and would have done it any time during the last three months. I have been waiting all this time for timber, and now that the culverts are almost finished (they will be completed on Monday next) comes the news that the Government overseer has issued orders that no bullocks shall travel on this particular road until next summer. How, then, am I to get my timber in? How am I to do any improvements on the section? I want to build a house, I want to fall a lot of bush, besides other improvements, but how am I to do it? I cannot condemn my wife to live in a tent during the whole winter, and she will not live away from me, so unless I get my timber I suppose I shall have to leave the section to itself for twelve months or so, minus the improvements. Why should I have to wait twelve months before I can build my house?”

“W. T. Jennings, Esq.”

Those two instances are typical of other cases; and they show the very grave disadvantages under which the settlers in the back blocks are placed at the present time. I wrote back to that settler saying that if I were his wife I would apply for a divorce if he did not get the timber, and I would put up the house in spite of the regulations. Those are typical cases of the troubles of settlers in regard to roading. In respect to the “thirds” and loading for roads, most settlers are placed in such a position that they cannot really ascertain how these moneys are expended.

570. *Mr. Paul.*] I take it that the settlers desire some method by which they can find out just how the matter of loading stands?—Yes; the Chairman of the Clifton County Council has given evidence here to-day. That county extends right away to Ohura, but owing to the peculiar configuration of Taranaki it is impossible for settlers in the Ohura, who are paying their rates to the Clifton County Council, to come here except by going to Auckland and then coming down by steamer, or by coming down from Te Kuiti through the Mokau or through the East Road. These settlers in the Ohura have represented to me that they are suffering under a great disadvantage, for if a settler wants to get information about his rates, “thirds,” or loading, or to make representations to the Land Board or County Council, he has to come down here, and that involves a large expenditure. If a settler writes to me, asking for some information, and I send the letter on to the Commissioner of Crown Lands, I cannot get a direct answer owing to some Government regulation, and that letter has to go to Wellington. It then has to come back here, when I get a reply. It sometimes means a delay of two months before I get a reply.

571. I understand that the settlers in the Taranaki Provincial District do rate themselves very heavily for loans for roads?—In some cases there are special rates on some roads up to a second and a third special rate. I might mention one case, the Stanley Road, in regard to which the settlers are paying three special rates at the present time, in addition to the general rate.

572. Then, the question of roads is as important as the tenure question?—To a very great extent; and in many cases it is more so.

573. From your experience, can you say if the settlers can do any more towards providing themselves with roads, or must the State come to their assistance?—The State should come to their assistance. The roads are as necessary as railways, and the greater the output of products, owing to good roads, the better it is for the colony as a whole.

574. The settlers have done their best, and now you think the State should assist them?—Yes, decidedly. It is impossible for the settlers to continue in some parts of my electorate under present conditions.

575. You think the colony would be justified in going in for a large borrowing policy to do this?—As far as I am concerned, my vote will readily go in the direction of increased expenditure for roads, bridges, &c.—for borrowing in order to give facilities and advantages to the back-block settlers.

576. It is generally argued that if the colony goes in for a large public-works policy it attracts a surplus population from other countries, and it may lead to depression?—I was born in New Zealand, and I have seen that occur on several occasions. I was in the South Island when the public-works policy was inaugurated in 1872–73, and I know there was a great influx of people to this colony, which did cause temporary disadvantages.

577. Do you think that could be obviated in any way by applying the policy gradually. I understand that the settlers want the roads as quickly as possible?—I think that gradual expenditure would meet the case, without attracting to this colony large numbers of people who have no intention of settling here.

578. Is it a fact, as stated here to-day, that the method of constructing some of these roads leads to a large amount of money being wasted?—Sometimes roads are constructed up to where settlers live, and then other settlers go further back into the country and they naturally complain of want of road-communication. Road-construction follows settlement instead of preceding it.

579. Do you think the authorities have done their best under the circumstances?—Yes, I think so, in many cases; for it is a difficult matter in bush and swamp country.

580. *Mr. Anstey.*] You said there were 760 refusals by the Advances to Settlers Office?—Yes; about that number.

581. How many advances were granted?—I cannot say from memory. I generally sympathize with the man who is refused an advance—not with the man who is successful.

582. Do you not think that some of the land districts are too large?—Yes, decidedly.

583. Would it not be wise to reduce the area of some of the land districts?—Yes; they are unworkable in some instances, and will be so for some years, until improved roading and railway facilities are given.

584. Would that not be the best way out of the difficulty, rather than to increase the size of the Land Boards or to have agencies?—I may perhaps be unfortunate in my district; but, as I have pointed out, my constituents in some places have to deal with Land Boards, in one instance over two hundred miles away, and difficult of access. How would it help the people at Manunui, Taumarunui, and Pukerimu, nearly two hundred miles from Wellington? While these troubles exist I think that some temporary means should be provided to meet the difficulty. I think there should be an officer or some central authority at Te Kuiti to whom the settler might pay his money or ascertain particulars of any matter, instead of having to write to Wellington or come here.

585. Would it be wise to appoint a Sub-Commissioner of Crown Lands there?—Yes, in my opinion. To illustrate further what I mean about difficulties of those away back from central places: if a child is born at some of these out-of-the-way places, unless the father registers the birth at Hamilton, 110 miles away, he is subject to the usual fine. Some of these settlers were summoned for not registering the births of their children within the specified time, and I brought the matter under the notice of the Government, and they have since authorised Postmasters or policemen to take a tentative registration. I simply mention this as showing some of the disadvantages the settlers labour under in the back blocks.

SAMUEL HILL examined.

586. *The Chairman.*] What are you?—District Valuer for a portion of the Taranaki Provincial District. I have occupied that position for eight years.

587. Can you say whether the district is really going on steadily or not?—In my opinion, it has increased with wonderful leaps and bounds. I have been in Taranaki from boyhood and know the district well.

588. Within how many years has this increased rate of progress taken place?—Within the last ten years.

589. It is due, I presume, largely to the dairy industry?—Yes. It is due, in the first place, to the settlement of the Native difficulty, and then I think it has been due also—and principally due—to the cheapening of money. I think the cheapening of money has been the greatest factor.

590. I suppose you have to do with applications for loans?—I value land for the Advances to Settlers Office, the Public Trust Office, and the Government Insurance Department. I see by a speech made recently by the Hon. Mr. Mills that, in round numbers, over £800,000 has been lent in the Provincial District of Taranaki—that is, from the Advances to Settlers Department alone. I think this provincial district in that respect stands fourth in the colony. Since I have been a valuer for eight years I have never been called upon to hunt up any one for arrears of his interest.

591. We were told by Mr. Jennings that there have been seven hundred refusals?—I suppose that was for the whole colony and included a number of years.

592. How many applications have been granted?—I could not say; but I believe—according to Hon. Mr. Mills—the total amount lent has been over £5,000,000 sterling. At the start of this system the authorities thought they were not going to get the money out quickly enough, and so they allowed persons to borrow up to a very large sum—£3,000. That was a great mistake; but latterly the Department has altered that rule and very considerably reduced the amount they are prepared to lend up to. Now it is proposed to allow lessees something on their interest in their property—that is, half the value of the improvements and their interest in the goodwill. I think the main cause of the refusals has been owing to the fault of the applicants themselves.

593. We have heard both here and in other places that the objection to the lease in perpetuity is that the holders of such leases cannot raise money under that tenure?—I think the lease-in-perpetuity

holder has not much to complain of now in this respect, because he has the advantage of any increase in the value of the property.

594. *Mr. Paul.*] At what periods do you value for valuation purposes?—I receive instructions from time to time to value particular districts. I make it a rule whenever I revise any particular district not to alter the valuation of that district for lending purposes—that is to say unimproved value—unless improvements have been made. It would be unfair, in the case of a district that perhaps has not been valued for the previous five years, if a man applied for a loan, and if his valuation was immediately to be taken on what is on the Government valuation rolls, as further improvements and increased value might have taken place.

595. You said that leaseholds are increasing in value in this district?—Yes.

596. Is that increased value created by the Crown or by the tenant?—To a great extent by the progress of the colony and also on account of roading-facilities.

597. *Mr. McCutchan.*] Until quite recently the custom of the Department was to advance up to 50 per cent. on the tenant's improvements?—Yes.

598. But there has been a recent instruction given that advances may be made up to 50 per cent. on the improvements and 50 per cent. on the goodwill?—Yes.

599. Would you consider from that instruction that the whole of the goodwill belongs to the tenant?—Yes.

600. Is it an acknowledgment—the 50 per cent.—that the goodwill belongs to the tenant?—Yes.

601. You take the character of the applicant into consideration in making an advance?—Yes; we have to answer the question as to what is known regarding the character and circumstances of the applicant.

602. Does not that fact explain why the State does not advance up to 50 per cent.?—Yes, it may be so.

603. A man who has got the name of being a good manager and of working his property satisfactorily will be more likely to get the advance he asks for than a man who has the name of being incapable?—Decidedly.

604. Do you think the State would be justified in making an advance beyond 50 per cent. of the improvements and 50 per cent. of the goodwill?—No.

605. Do you not think a distinction should be made between an advance that is asked for to make further improvements and an advance wanted for other reasons?—The Department considers matters of that kind, but I do not know where you could draw the line.

606. Do you not think there should be some supervision over the expenditure of such money?—Yes.

607. And if there was such supervision exercised do you not think a further advance might be made in the case of a settler wishing to make further improvements?—Yes; I agree with you that in the case of a good man I would myself lend him an increased amount.

608. *Mr. Anstey.*] If a man paid for his improvements and had not paid his rent up to date the Department will not make an advance, whereas if he has paid up his rent and has not paid for his improvements they will make an advance: what is the difference between the two?—I do not think there should be that distinction made.

609. Is there any particular reason why that regulation should not be modified?—I think it should be modified, more especially in newly settled districts. A man may be behind in his rent owing to various circumstances—for instance, he may have bought cattle at a large sum, and may not be able to realise the money he paid for them.

610. How often do you revalue the land?—There is no rule. I sometimes recommend that, in my opinion, a certain district should be revalued, and I receive instructions accordingly.

611. Then, in some instances districts may be revalued almost every year, and in other cases they may not be revalued for very many years?—No. They cannot be revalued for unimproved value until two years have expired. I know some districts that will probably not be revalued for ten years, except for improvements.

EDWARD METCALF SMITH examined.

612. *The Chairman.*] What are you?—I am a settler, and have been here since 1860. I am a member of the House of Representatives for the Taranaki district and have been returned to that position four times.

613. Is there any particular matter you wish to bring before the Commission?—I do not wish to go over ground that has already been traversed, but I should like to draw attention to the great difficulties we are labouring under in this district, especially in respect to our want of roading-facilities. We maintain that the true policy to be adopted in this part of the country is for the Government to make and to take charge of the main roads. That should be the duty of the Government, because those roads become the property of the State for ever. When the late Sir John McKenzie was Minister of Lands he said that when the settlers helped themselves the Government would help them, and the Government gave a pound-for-pound subsidy, but now that subsidy has been withdrawn, and it is very hard to get from the Government any assistance whatever towards the making of roads. I could mention many instances in which settlers have imposed upon themselves four or five special rates for the making of roads. I think the Government should carry out the policy of giving £1 for £1, and also of taking over the main roads. I wish to draw your attention to the position in which we are situated in this district. We have to go by sea from here to Auckland, owing to the want of roads. All the streams and rivers, except Mokau and one other little river, have been bridged. The road at present is impassable. That road has never been metalled, although it has been promised for many years. It should be metalled in the interests of the settlers and of the colony generally. Another difficulty that we labour under is in connection with the Native land. The Natives themselves are thoroughly disgusted

at the way their lands are being administered. This is a very burning question. If you travel through a district like mine you would find that this subject is much discussed by the settlers. I would like to say that I have met a good many Crown tenants holding land under lease in perpetuity, and while they were very well satisfied, still there is a desire on the part of many of them to get the freehold; but they would not ask for the freehold if they were not frightened by the bogey of revaluation every seven years. If it was proposed to revalue the leases at the end of thirty years I believe we should not have had this trouble in regard to the land. Then, there is the question of the Native land down the coast that is administered by the Public Trustee. The Maoris are really thoroughly dissatisfied, and, as far as I can see, they have just ground for dissatisfaction. Within two hours' drive of New Plymouth there are considerable areas of land covered with forest and with blackberry and other noxious weeds. If those lands were dealt with in a proper manner and brought under cultivation we should not have this trouble with the Maoris. I think that the more land the State holds the better it will be for the country. I could mention the names of people in the Taranaki district who have actually sold their freehold property and gone in for leasehold land. I have always advocated in Parliament that the present land-tenure is the proper one for a young country like New Zealand. In regard to land-nationalisation, it is too late in the day to think of that. I have advocated the sale of lands for cash and deferred payment, and also the giving of land free to those men who had no money; and I am sorry to say that some of those people who were taken from the large towns and put on the land by means of the Government policy, and who were provided with work on the roads, and who were paid for felling their own bush, and who were given fencing-wire and grass-seed—those men have now become some of the most dissatisfied settlers. I think it is very wrong and ungrateful that they should turn round on the Government now. When you ask them the reason they say, "If we were sure that a Fair Rent Bill would not be carried, or that revaluation every seven years would not be made law, we would be satisfied." Although I believe, and always have believed, that when a man goes on to a bush section away from roads, and he carves out a home for himself in the bush, that man should have a Crown grant given to him, and he should not be called upon to pay stamp duty. I believe that whatever the majority of the people desire they should get. Therefore this Commission will do very good work in ascertaining the desires and feelings of the majority of the settlers. I do not wish to detain you longer. I think that if the Commission will make a strong representation to the Government as to the unsatisfactory condition of the roading question in this district it will render a signal service to the colony.

614. In regard to roads, I suppose it comes back to this: "more money"?—Yes. The Premier made a statement at Stratford recently, that he is prepared to borrow another £500,000 to be expended on roads in the back blocks. If the Lord spares me and I am there I will support that proposal to the very best of my ability.

615. *Mr. Paul.*] You think that the road question is of the greatest importance to this district?—Yes; the general progress of the district increases when good roads are provided. Good roads are of the very greatest importance for country districts.

616. May I point out that there never was a proposal to revalue the lands periodically every seven years?—You only want to watch some of the people in the towns when they speak at public meetings. It is not done in Parliament. It is the short duration of the period of revaluation that is frightening the people. If the period was valuation every thirty years I do not think there would be the same feeling of insecurity.

617. Do you fear any retrogressive policy in this country or that there is a majority in favour of such a step?—I think as we get to the top there would be a tendency to go the other way.

618. Do you think the State would go back on its bargain like that?—I have always told the settler, with regard to the Fair Rent Bill, it is to give relief in times of distress, and as long as they do not increase the percentage the settler would have to pay it would be all right.

619. Supposing a Fair Rent Bill was brought into Parliament would there be any objection to this: that where a tenant finds he has paid too high a rent under that Act he could have his rent reduced, and at periodical intervals his rent would be revalued? Supposing his rent is too high and he has it reduced, in altered times it might be too low, and it would have to be increased. What do you think of that?—I think that would be fair; if he gets a reduction when things are bad he ought to submit to have it increased if the circumstances demand it. But the men who get the land at 4 per cent. are crying out that the Government might break the contract and charge them more, and that is the reason why they want to get the freehold and get clear of the State.

620. If the Government are such a terror, might not they increase the land-tax?—I do not say the Government is a terror. It is the fairest and best Government that was ever in power in New Zealand.

621. Surely you do not think that the Government would introduce retrogressive revaluation?—I believe they will not, but there is undoubtedly the fear that other people will do it. The land agents and speculator tell the settler that there should be nothing but the freehold in this country, and when we took up a piece of land here the other day under the land for settlements for workmen's homes we could hardly get it taken up, because the land agents said to these people, "You must be mad to pay this rental half-yearly for 999 years when we can let you have a home of your own on easy terms."

622. Then, you do not blame the land agent for advocating something that pays him very well?—I do not say I do, but we ought to have in this country a land law with regard to leasing if the people so desire it. I would not vote for any one land-tenure. I would give them the optional tenure. I would give them the freehold, but surround it with such conditions that they must reside on the land for a certain number of years, and if they sold it again it must be sold to the State, who should have the first refusal if it so desired. If a man got land from the State and resold it to some one else I would prevent him taking up land again from the State for a number of years. In this district, a great majority of people are, rightly or wrongly, in favour of the freehold; but if a vote was taken in the four electoral

districts of Taranaki, in my opinion, a very large majority of those people who are upon the land now would vote for the freehold or the deferred payment.

623. Is there anything in the lease in perpetuity which prevents them using their land to the best advantage?—No, they can use the land, and they have even a greater security with the lease in perpetuity than with the freehold. There may be some little difficulty in financing the lease in perpetuity over the freehold, but they never earn the freehold, only in name, as the mortgagee takes charge of the deeds.

624. If the lease-in-perpetuity holders get the option of the freehold, do you think they could take advantage of it excepting through the assistance of the mortgagee?—I am perfectly sure that not 5 per cent. of them could take it up within twelve months, if they had the option, without going to the mortgagee and getting the money from private sources.

625. *Mr. McCutchan.*] Do we take that as a reflection upon the well-being of the lease-in-perpetuity settlers, when you make the statement that in your opinion none of them are in a position to acquire the freehold if they get the option?—That is my opinion, and I believe it is true, otherwise I would not make the statement.

626. For that reason, would you remove that tenure from the statute-book?—No, I would keep it there. I believe in it. I would give men the right to take up land on what tenure they thought proper.

627. Is it not the case that the settlers in Taranaki are very prosperous?—They are very industrious, and therefore they are very prosperous.

628. And you make the exception in the case of the tenants who hold the land under the lease in perpetuity?—No, Crown tenants have told me very recently that they have been satisfied with holding the land from the State. Then, I have always told them of the evils in the Old Country and pointed to the enormous wealth accumulated by the Duke of Bedford, and told them of his huge rent-roll always coming in. In view of such facts, I have always said that the State should hold the land, and should use the proceeds of that land to reduce taxation.

629. Are we to take up the other position, and say that the lease-in-perpetuity settlers in Taranaki are doing fairly well?—Yes, they are doing well, and have been able to resell their goodwill at an enormous advance.

630. If they are doing fairly well, and they get the option of the purchase in order to pay off the capital value by instalments, and they are making a little more than a living, would it be wise or unwise to permit them to pay the surplus into the Consolidated Fund and reduce the capital value of the land, and thus reduce the rent?—It would be an excellent thing if they had the right to pay off half the cost of their land; it would be better for the State, and the settlers would not lose anything by it.

631. Would you limit it to 50 per cent. or allow them to pay off the whole?—I think it would be in their interests to allow them to pay off one part out of their savings.

632. Does it not follow, then, that it would be well to allow them to pay off the balance?—If the people demanded it by ballot I would support it, as that is true government of the people.

633. And therefore, as the poorer people gradually work into a good position under this tenure, you would allow them to pay off a portion of the capital value of the land?—Yes, but I believe it would be against their interest to do it. Unless there were very great restrictions, the land would go back to the capitalist.

634. Is there any reason against setting up that restriction?—I think you might provide for the Registrar at the Register Office, only allowing a certain amount of land to the one occupier.

635. You would place a law on the statute-book preventing the aggregation of large estates from Crown lands?—Yes.

WHANGAMOMONA, WEDNESDAY, 31ST MAY, 1905.

ARTHUR COXHEAD examined.

1. *The Chairman.*] What are you?—I am a farmer, holding 1,600 acres in this district under occupation with right of purchase, which I have held for five or six years, and for which I pay £84 per annum. I am satisfied with the land and with the tenure. I have felled and grassed about 1,100 acres. I also own 400 acres of freehold in Waimate Plains, but that is leased with right of purchase, and will pass from me in eighteen months.

2. What do you think is the best tenure in the interest of the State and the settler?—As one who has made New Zealand the home of his adoption for forty-seven years, I could not countenance anything but the freehold.

3. Have you had any dealings with the Land Board?—Yes, and they have always been satisfactory. So far as I have seen, I have had no occasion to find fault with the constitution of the Land Board. It is satisfactory, so far as I am concerned. I feel, however, that the Land Board should be constituted of members representing the whole of the outlying districts. I do not think that the towns should be in any way largely represented on the Land Boards. The majority of the members should be practical settlers, and drawn from the various parts of the land district.

4. Have you had any dealings with the Advances to Settlers Department?—Very little; I do not know much about that.

5. Have you any remarks to make on the roading question?—I think the Government are making a very great mistake in not making and maintaining the arterial roads. Loading might be put on the section abutting on the main and arterial roads that would be made and completed. It would be fair to put a certain amount of loading on these lands, but I feel that lands on the by-roads should not be loaded. The by-roads could be made with assistance from the Government at the expense of the settlers. It is almost as broad as it is narrow.

6. You think that the by-roads should be made by the Government, supplemented by rates from the settlers?—Yes.

7. So that practically both the settlers and the Government to operate in both classes of roads?—Yes; but I feel that, with regard to the main roading being made from the whole of the district, the settlers abutting on those roads can afford to pay a loading, and it simply means that the price would be put on them as against the others. With regard to spending the loading, after carefully watching the co-operative principle of making the roads, I have come to the conclusion that it is a most expensive and unsatisfactory mode. In districts such as this I think the settlers should have the preference, and if the work was let under small contracts it would be more satisfactory and the work would be better done. The settlers who really find the roading for their lands would get more satisfaction for their money, and it would give the settlers employment. I would also like to point out the fallacy of laying off the lands in rough country under the present system. Take a short road that goes only to three or four sections. The Government have got to make the road to the far-away section, but if the sections were made longer the Government would be saved many thousands of pounds.

8. Your plan would give an immense frontage to the other section?—No. A large amount of money would be saved to the country if the sections were narrower in frontage and of greater depth. I would also like to make a remark with regard to the question of burning in country such as this. I have been burning bush in Taranaki for fifteen years, and the difficulty with a climate like this, where we will have five fine days and one wet day, is to get a burning season. We are bound by the land laws to fell and grass a certain amount every year. But if we have alongside us a neighbour who is saving for grass, we cannot burn just when we please, or at the time that would perhaps be most advantageous to a good burn for fear of burning him out. In the event of our burning out such a neighbour we are liable for the damage done. There are thousands of acres which have been felled but have never had a fire through them just because of that danger, and that is a great loss. Provision could be made whereby a man may burn his bush, say, during a certain period of four or five years, without risk of liability for damage done to his next-door neighbour. I may say I am strongly in favour of the three tenures—lease in perpetuity, occupation with right of purchase, and freehold; but I am strongly in favour of allowing the lease-in-perpetuity holder, on the payment of 1 per cent., the privilege of converting into a freehold in, say ten years.

9. With regard to lease-in-perpetuity holders converting to the freehold, do you include settlers on estates purchased by the Government?—I am referring, of course, to settlers in country such as we are at present in. It is quite a different matter in the case of a man who goes on to an improved estate, and who can get returns straight away. In bush country a man, however, has to spend five years with practically no returns. If you reckon a man's time, over and above eight hours a day, which he puts in on his land in the first five years at 6d. per hour, no amount he would get for the land would recompense him for that labour. Before coming to the North Island I spent a large part of my time in the busy centre of Dunedin, and was mixed up with artisans and what may be termed the leaders of the Trades and Labour Councils. If you take the members of the trades and labour organizations, you will find, as a rule, 80 or 90 per cent. of them have got their little sections, with their comfortable cottages on them; but yet they say to us in the bush districts that we shall not have the freehold and must be satisfied with the leasehold. Yet those same people have done the same as myself, they have debarred themselves many pleasures in order to get the freehold. At the same time, they advocate the leasehold as against the freehold, and, like the big drum in the band, they make the biggest noise but do not make the music. The majority of those who are spokesmen for the Trades and Labour Council, and who are advocating the leasehold, are those who have not been prudent enough to save sufficient to pay the first deposit on a section, and would not allow a prudent man who had debarred himself luxuries to acquire a freehold. I took up the occupation with right of purchase with the intention of buying. I was brought up in New Zealand with the idea of getting a claim in it, and it is the idea of nearly every man in the colony that he should have a freehold, and if we have got to be under the rule of those who are advocating the leasehold the home of my adoption will be a land not worth living in, but a land that is well to be out of.

10. *Mr. Anstey.*] Are there many people in this district taking up lease in perpetuity?—A good many. For ten miles up this road the land was laid off in 100-acre sections, and they are all lease in perpetuity. Outside of that the larger proportion are occupation with right of purchase.

11. Outside purely Crown lands are there still many who are taking up land under lease in perpetuity?—I should say not more than 25 per cent.

12. With regard to land for settlements, there are one or two instances in this district where the Government have acquired land. Is that only let under lease in perpetuity?—That is so, I believe.

13. You say that all should finally have the option of the freehold?—Yes.

14. There are a number of freeholders in this district and elsewhere who have, like yourself, leased their farms?—Yes, but not in this district. The farm I referred to was fifty-five miles away; but there are a number of freeholders leasing their land.

15. Do you think the tenants of private owners should have the same option as you advocate State tenants having?—Yes, I think a tenant who has a farm only on lease will not keep it in order.

16. You think that should be a legal condition of all leases?—Not necessarily, but I certainly advocate giving every man the option of making his leasehold into a freehold if he pays proportionately for it, and I should like to see every man have a freehold.

17. Do you think the tenants of education reserves should have the option of the freehold too?—No. Those are what might be termed "assets of the State," that could be left as they are at present. On bush land a man will not get £500 in five years, and, considering the time he has put in and the money he has spent, I do not know what could be stronger evidence in favour of the freehold.

18. In the case of a man wanting to burn, you would be in favour of his giving his neighbour six months' notice of his intention so to do, and you think that should be sufficient to shield him from liability in the event of damage being done?—Yes, I think that would be a good thing.

19. Do you know whether a large amount of Government grants are expended in this district by way of subsidy?—There has been a large amount, but I cannot say to what extent.

20. Would you say they have all been expended?—No.

21. Do you think the system of grants is a suitable system for financing road-making, or do you think a system of Government subsidy on rates would be more satisfactory?—I think that the whole of the arterial roads should be made and maintained directly from the Consolidated Fund. They are really for the convenience of the whole of the travelling public. We are getting a road made from here to Auckland, and why should the settlers on that road have to pay for the whole of it.

22. You think that should apply to the whole of the colony?—Yes.

23. What local body have you here?—A County Council. We have no Road Boards.

24. Do you think a single system of local bodies is the most economical system for administering local funds?—That is so.

25. *Mr. McCutchan.*] If you give the right to acquire the freehold of the 999-years lease is there not a fear of the tenants mortgaging their leaseholds, with the danger of their losing their holdings should times become bad?—Not in the case of a provident man.

26. Do you not think it would be wise to have legislation to protect the improvident man against himself?—Yes, if possible to do so; but I am no advocate of going so far as trying to save a man who is past redemption.

27. With regard to the giving of the option of purchase to the lease in perpetuity, the danger of aggregating large estates has been pointed out. How would you safeguard against that?—At present a man is not allowed to acquire from the Crown more than 2,000 acres of land, and I would suggest that the transfer of a lease-in-perpetuity section should not be given to a man who has more than 2,000 acres.

28. You would favour legislation preventing a man holding more than 640 acres of first-class land or 2,000 acres of second-class land, either privately or acquired from the State?—Yes.

29. With regard to the leasehold, do you not think it wise to prevent a man mortgaging to more than 25 per cent. of the land for the purpose of acquiring the freehold; in other words, do you not think it would be wise to force him to pay 75 per cent. from his earnings?—I do not think 25 per cent. is enough, because a man has to have a long purse in order to do with only that amount on his property.

30. Do you think a system of loading sections abutting on the main road and allowing others to go free is equitable?—Those sections abutting on the main roads would be really paying for their share of the loading on their sections, and in regard to the other sections, the rates with Government assistance would make the roads. There are many roads which are not required to be made for the full distance, and they would not be made then at that time. If the land was sold at 10s. instead of £1 5s. the settlers would perhaps be satisfied with a less expensive road.

31. It is felt that this system of giving assistance by means of grants is a very inequitable one, inasmuch as some settlers get more than their fair share. Do you not think that a system of subsidies proportionate to the rates levied would be more equitable?—I think if the roads were made past the main sections and subsidies given on the rates for the by-roads would overcome a large amount of trouble.

32. Would you make that subsidy payable on the total rates of the county?—Yes, I think it should be on the total levy.

33. Do you think a 10s.-in-the-pound subsidy on the total rates levied would give adequate finance?—I would not like to give an answer to that, because I do not know.

34. With reference to loading, a man who has his road made by the county under special rate pays off the loading so incurred in twenty-six years, whereas the lease-in-perpetuity settler who is loaded for roads pays that loading for 999 years. Do you think it would be more equitable if his loading also expired at the end of twenty-six years?—I think that would be equitable.

35. Do you advocate the small-contract system a against the co-operative system?—Yes.

36. Is it not the case that in most counties certain works require expensive details in the shape of teams, and so forth?—I was referring to this district.

37. Would you invite tenders?—Anything would be better than the present system. I think that the men working on small contracts should be allowed to choose their own mates, and it is their look-out if they take in with them a poor man, but it is the contrary to conducive to good results to compel three good men to work with one poor man and all to draw the same pay. I do not care what work men may be engaged in, but it is a fact that a fast worker never works so well when he is alongside a slow worker.

38. Would you advocate a change in the system by which men, if they choose to work long hours, shall be allowed to make 12s., 14s., or 16s. a day, provided the roads get full value?—I am not an advocate of long hours, but I have no objection to allowing men in the summer-time to work ten or twelve hours a day to make up for the time that they necessarily lose in the winter owing to bad weather.

39. You advocate the system of small contracts in lieu of the co-operative system?—Yes.

40. Under the small-contract system the profits of big contracts are eliminated?—Yes.

41. Have you any knowledge of the ballot?—Very little.

42. It has been advocated that the Commissioner of Crown Lands should examine all applicants and reject those that seem to him to be unsuitable, by which means practical men would have a better chance of getting land?—That is a hard question to answer, but I know there are cases where men have been unable to get sections, and I think it would be an advantage if the Commissioner had a certain amount of power to help them to get a section.

43. Do you think that the " thirds " from cash sales should go to the local bodies, the same as they do from grazing-runs ?—Most certainly.

44. And that those " thirds " should be spent on the roads to the lands from which the " thirds " came ?—Certainly.

45. It has been suggested that the man who pays cash for the land should be brought under the same residential conditions as the man who takes up a lease. Do you think that should be brought into operation ?—A man might purchase a property ten or fifteen miles away from where he is living in order to properly work his stock, and I do not think he should be interfered with.

46. You are aware that under the present leasing system if a man makes the required improvements he has the right to take up another section, even though it does not adjoin ?—Yes.

47. In the case of a man who holds land and buys a cash section for speculative purposes, do you think as a check on that tendency he should be required to reside on the section ?—Yes.

48. Could you give an estimate of the loss in this district through tutu-poisoning ?—I can give an idea with regard to my own place. Last year I lost fifty-six bullocks, through slips and tutu, that were worth £5 2s. 6d. per head. Some of the cattle were smothered in the slips, and those who got off were turned over by the tutu. I lost fifty-six out of 240 head.

49. There is a further loss than that, inasmuch as fences are carried away by the slips also, and in the loss of grass for three or four years ?—Out of 1,000 acres I lost 200 acres last year, and there was an absolute loss in repairing about 50 chains of fencing—20 to 25 per cent. of my fencing.

50. Are you aware if the settlers have any disability in the matter of marketing their stock owing to the condition of the roads for eight months of the year ?—Most decidedly. In my case I practically sold my bullocks at £5 2s. 6d., but I lost my market owing to the state of the road, and they are on my farm now.

51. Do the settlers generally labour under that disability ?—Yes, more or less.

52. In this district it would mean a considerable sum of money ?—Yes.

53. Sufficient to grass several thousand acres of land ?—Yes.

54. Are you aware if the sheep have suffered under the same disability in shifting about ?—Yes, it has been almost impossible to shift sheep. It took me from 7 in the morning till 3 in the afternoon to shift my sheep over three miles of road.

55. The value of the sheep is depreciated also ?—Yes.

56. Has the success of the factory been seriously handicapped by the condition of the roads ?—Yes. Thousands of gallons of milk have been absolutely wasted.

57. Have you seen settlers emptying their milk on the roadside in order to lighten the weight of their carts ?—I have not seen it, but I know it has been done.

58. Can you say whether the settlers have laboured under any disadvantage in the past through not getting advances from the Advances to Settlers Department, and have had to pay more by going elsewhere ?—Yes. I know of one man who borrowed £50, and by the time he got here he had only £34. £6 of the £50 went in his travelling in and out to get the money, and the other £10 was spent in charges and the first six months' interest.

59. Speaking generally, in view of the fact that the country is exceptionally prosperous, do you think it would be wise and prudent for the Government to obtain adequate funds to bring the roading and transit facilities of the back blocks up to the reasonable requirements of the settlers if the money was carefully expended ?—With a proviso, yes.

60. It is said that there is a very fine block of Native land in this vicinity. Do you think the time has arrived when the Government should tackle this Native-land difficulty and make that good land reproductive by throwing it open for settlement ?—Yes, provided that proper provision is made for the Native owners.

61. *Mr. Paul.*] Do you think there is any advantage in having a lease in perpetuity at a 4-per-cent. rental on the capital value, as against an occupation with right of purchase at 5 per cent. ?—I am strongly in favour of the lease in perpetuity being retained on the statute-book because it gives many men an opportunity of getting a footing on the land which they otherwise could not. But I think the lease-in-perpetuity holder should have the right to purchase by paying an additional 1 per cent. It is within my knowledge that a man is handicapped by the lease in perpetuity when he goes into the money-market. The whole of the settlers have to borrow more or less to make their way, and judicious borrowing has paid them, but the lease-in-perpetuity holders are handicapped by having to pay a higher rate of interest than is charged the freeholder.

62. Is there anything in the conditions of the lease in perpetuity which prevents the settler using his land to the best advantage ?—Only so far as he is handicapped if he wants to finance to push his way along.

63. Does it resolve itself into the fact that the money-lender considers the occupation with right of purchase better than the lease in perpetuity ?—Very slightly.

64. Then, the freehold is undoubtedly a better security, because, of course, the settler had expended either labour or money in getting the freehold and he had something to offer, but that is hardly an objection in the case of the lease in perpetuity ?—I do not object to the lease in perpetuity. I prefer that lease; but I say leaseholders should have the right to make it into a freehold after complying with the conditions and terms for, say, ten years.

65. Do you think that is workable ?—Yes. But I advocate allowing the three tenures still to go on, allowing the man who likes his occupation with right of purchase and the man who wants the lease in perpetuity to have it if he works his land well. But if he is a speculator I would not help him one iota. Only if he were a *bonâ fide* settler would I allow him the freehold of the land.

66. Seeing this district as we have done, with an acquaintance of two days, it seems to me that the question of roads is of a great deal more importance to the settler than that of tenure, seeing that

this lease in perpetuity is secure?—Yes; the roading is of very much more consideration than the tenure of the land.

67. Therefore it seems to me, from a casual glance, that the settlers have tried to help themselves, and have put a great deal of labour into the land?—Yes; and they want encouragement with roads.

68. Do you think a large borrowing policy might be entered into now in order to form or finish these main roads and such public works?—Yes; if a proviso were put in that the money should be spent on the roads; but I am not advocating a large borrowing policy if the money is not going to be spent on reproductive works, and roads are reproductive works.

69. In speaking of the representation on the Land Board, I understand you to favour nomination, or that the settlers should have most of the representation, but you would not go so far as to say that the towns should not be represented on the Land Board?—No; but I think that the majority should come from the districts distributed throughout the whole land division.

70. You spoke of the position of artisans, and said that those men who advocated the leasehold were rather improvident and could not save enough money to buy their sections. In that you were slightly wrong, because there is not a majority of the artisans who own their houses, and ground-rent or land-value is increasing so enormously that there is no possibility of a poor man buying a section and building a house. Are you acquainted with that aspect of the case?—I spent some years of my life in Dunedin, and I am safe in saying that 75 per cent. of the artisans of that town have got their freehold sections. I speak of the time I was there.

71. When did you leave?—In 1891; but I went back again in 1899.

72. That is fourteen years ago, and in the meantime you cannot say what has been the increase in the cost of living, rent, or land-values?—No; but that was the position of affairs when I was amongst the working-people of Otago.

73. You referred to the bad condition of leasehold farms generally, but is it not the fact that if the tenure is secure a leasehold farm is as well looked after as a freehold?—No. If you take some of the farms in the Waimate Plains you will find that men can only get a valuation of £5 an acre on their improvements, as there have been no improvements for years, and the fences and buildings are rotting. In the case of private leases, you find that unless there are strong provisions the places are neglected, and that brings me to the noxious-weeds question. The noxious weeds are being neglected throughout Taranaki, and in this place, where three years ago the whole of the weeds could have been cleared off by three men in two days, it would now take three months to do it, and in another two or three years we will be smothered with them. Leases generally are neglected during the last few years of their existence.

74. Do you arrive at that conclusion from your own observation?—I do.

75. A certain proportion of this area here is under occupation with right of purchase. Are the weeds spreading on that land the same as on the lease in perpetuity?—I cannot really say. I hope not; but on a lot of the improved-farm sections the weeds are very much neglected.

76. There is the question of limiting the freehold in order to get the best out of the land. People are very prosperous in small areas, and in the case of a block of 2,000 acres of first-class land, if that is subdivided into blocks of 640 acres each, that means that there is room for three families on it. Is it in the best interests of the colony that that land should be held in the larger block of 2,000 acres?—No. When the question was put to me, whether I was in favour of limiting it, I wished to convey that where land is available and suitable it should be surveyed into from 150- to 200-acre blocks—that is, where it is suitable for dairying. The finest dairying land in New Zealand is divided into blocks of 200 acres, and when I saw it in 1890 I said that it was going to be the most wealthy district in New Zealand. I am of the same opinion still. I am cutting up mine in the same way. I have bought 400 acres there, and am going to cut it up into small farms; they are the most profitable farms for a poor man if he can work. I advocate the cutting-up of good land into small sections.

77. If the limitation were made by value instead of by area, would not that get over some of it?—It should be overcome by survey, because the head of the Department would say, "Survey your block into 150 acres," but to give 200 acres to a man in this district is putting a stone round his neck, and you might as well throw him into the river, as he cannot make a living out of that area.

78. But this country is just out of the hands of the surveyor. On some of the recently purchased estates there are three farmers on 640 acres making a good living. If the option of the freehold is given to these farmers, ultimately that might become one farm, and, although it is only 640 acres, it is practically a large estate, because previously it would be keeping three families in comfort?—That is so, but you cannot call it a large estate. That matter would be a question of detail, which I can hardly express an opinion on, but I am in favour of cutting up good land into small areas.

79. You told us of the large losses last year by reason of the slips. Would that be a recurring loss?—If I thought it would be I should be amongst the missing, as I could not stand it. We had exceptionally heavy rains at that time, and this little stream here was running 25 ft. deep opposite my place.

80. I am told this country will stop slipping by-and-by. Is that so?—I think it will after the roads are made and the first slips are done with.

81. *Mr. Anstey.*] What is the cost of freight from the nearest railway-station to Whangamomona?—The summer freight is £3 a ton from Stratford. We have had to pay from Oruru at the same rate as from Stratford. £3 is the lowest freight paid into Whangamomona in the meantime, but in the winter-time we pay, according to fancy, from about £8 to £10. That would be to Whangamomona Township.

82. Would it be higher to the farms?—Yes; because the goods are packed in winter, and some just now are paying 4s. a hundredweight for packing to their farms from Whangamomona.

83. Is there a large quantity of Native land in this neighbourhood?—Yes, in the north-east district.

84. What quality is it?—The Inspector of Roads here tells me it is good, and from what I could see of it from the highest peak it looks fairly good and equal to the rest.

85. *Mr. McCutchan.*] Is it not the fact that the summer freights have this year been £4 a ton?—I may be letting the cat out of the bag, but the lowest rate I have paid the last three years is £3, but I have been charged up to £4.

86. Is it not the fact that goods cost consumers as much as £4 for freight, as the local storekeeper has to recoup himself for the additional packing to the sections?—Yes.

GEORGE STOCKWELL examined.

87. *The Chairman.*] What are you?—I am a settler in this district, holding 490 acres as a small grazing-run, for which I pay £6 1s. 6d. per annum. I have held it a little over five years. It is about nine miles from Whangamomona, and is all bush land, with 140 acres cleared.

88. Are you satisfied with your occupation of this land?—Not exactly; I would like the option of purchase. I have it for twenty-one years, and at the end of that time I will get a revaluation and the opportunity of carrying it on again if I accept the valuation.

89. What is your objection to the present tenure?—I believe a man would make a better settler if he had the option. There is also the chance that a man's improvements will not be recognised at the end of twenty-one years. I have had a very bad experience here, and I wish to back up Mr. Coxhead's remarks in reference to the loading. I have experienced great hardship and difficulty in effecting required improvements during the five years I have been a Crown settler owing to want of access. During the first year of occupancy I felled 5 acres. As the track was made only to a point four miles from the section, it was necessary to swag everything required on my back for that distance. As the country is very broken this was a difficult matter. I asked repeatedly for better access, and was informed as often that no funds were available, but as soon as there were any they would improve the track. During the second year I felled 25 acres, and had to swag the grass-seed to sow it down. A little was done to the track, and I did a lot myself gratis. When the section was fit to stock I put on sheep. I started with 240, and arrived with 220. I lost twenty in the bush, and I had two men to help me. During the third and fourth years about two miles of track were made, but slips coming down, and no funds being available to clear them, I was practically cut off—in fact, I would have been quite, only a neighbour came to my rescue and allowed me to go through his section. During the third year I felled and grassed 40 acres, and had to swag seed for a distance of a mile and a half. Supposing it cost £9 a ton from Stratford to Whangamomona, it would cost about £6 to get it from the end of the track to the section. I could swag two loads per day of 80 lb., making 160 lb. a day, allowing 8s. per day. My section fronts Marco and Mangawata Roads, and is in Clifton and Stratford Counties. I have paid rates to both Councils five years, and the road-line fronting the section has never been touched since the surveyor left it seven years ago. It is all standing bush. The land is sloping above my fence-line, and I am therefore unable to fence until the road bush is cleared. Cattle can and do stray where they please. I am prevented from doing improvements until this road is cleared. I was led to believe I would have the road long ago, and I have lived in hope of getting it, but the hope has been in vain. The first difficulty started when the block was surveyed. A surveyor is not necessarily an engineer, and may not run these roads out to advantage. If the sections were larger the one road could go right to the section, whereas with the small sections the road has to go past the section, and the track becomes worse and worse.

90. Do you think that your area of 490 acres is sufficient for you if you had a road to it?—I think so, as the land is good.

91. I suppose you are sticking to sheep alone?—I have cattle on it.

92. *Mr. Anstey.*] You say you have been there five years and have no road yet?—There is a bridle-track, such as it is.

93. How long has it been there?—They make first a quarter or half a mile. It has been in progress for five years.

94. How long is it since that track actually reached your farm?—About twelve months ago.

95. Do you think it would be wise on the part of the Government before opening up lands to load them if necessary with sufficient loading to give access to them?—That is so; but the better thing would be not to open up this rough country in small areas. They would not need one-fourth of the roads if they had large areas.

96. Would you rather put an additional loading on and have a good road, than have the land but no road?—Certainly; I think it would be an advantage.

97. *Mr. McCutchan.*] Seeing that the money is borrowed from year to year for reproductive public works, do you think it would be a just and equitable thing to ask the settler to bear the entire burden of the outlay?—I do not think it would be fair that he should bear the entire burden. I think he should be prepared to bear a little more, but he should have better roads.

98. Is it the case now that the land is loaded practically to 25 per cent. of its value, and do you not think that the necessary expenditure should come out of the consolidated revenue?—I think it is more of a national affair than a local.

99. Drawing a parallel between railways and roads, is it not the fact that the State provides the entire cost of a railway?—Yes.

100. As against that, those who use the railway are only called on to pay sufficient to provide a return of £3 10s. per cent. In view of that fact, is it equitable to ask the settler to bear the whole cost of his road?—Putting it that way it is not equitable.

101. With reference to revaluation, there is revaluation for improvements at the end of your term. Do you think that the settler will get justice, or do you think that a large amount of improvements will not be recognised at the end of twenty-one years?—I think you will not get full compensation.

102. With reference to this revaluation, have you any fear that the trades and labour unions of the colony will gather sufficient strength to interfere through Parliament with the terms of your lease?—From what I have read I believe there is a danger on that point.

103. They have distinctly affirmed that upon the transfer or death of a lessee that that should be done. Would you not say that is a dishonest proposal?—It is most unfair and almost dishonest in a country like this.

104. Do you think the tenants under the 999-years lease would be contented, satisfied, and prosperous if it was possible to assure them that their lease would never be interfered with?—I certainly believe it would be, but there is a great desire for the freehold at the same time.

105. Speaking of the disabilities under which you have laboured, and which are typical of what other settlers have gone through: do you think the residence conditions press too hardly on settlers living in remote positions?—They are most unfair and monstrous.

106. Did you, in addition to packing your grass-seed, have to pack the materials for your dwelling?—I carried the iron for the roof.

107. In respect to the raising of rates by the Clifton and Stratford County Councils, you complain that although they levied those rates no portion of them has been spent on your road. Is it not the case that your road has not been done by either of those local bodies up to this day?—Yes.

108. Do you attribute any blame to those local bodies in view of that fact?—I do not.

109. Do you think the Government should, in all cases when they place these roads under the local bodies by *Gazette* notice, give power to them to expend the rates which have accumulated?—I would rather not answer that question as I do not understand it.

110. *Mr. Paul.*] Your lease is for twenty-one years?—Yes.

111. You recommend that you should have the option of purchase—would that be a more valuable tenure?—I should say so.

112. What would you be prepared to pay for that option?—The original valuation.

113. Suppose at the end of twenty-one years your improvements were protected and the section put up to auction, would that be satisfactory?—No.

114. Why do you arrive at the conclusion that you will not get value for improvements?—There are a lot of improvements that a man is doing every day which are not visible to the man who assesses the lease twenty-one years hence.

115. Are your rates likely to be increased in the twenty years?—Yes.

116. Then your land must be revalued at periodical intervals to base these rates on a proper foundation?—Yes.

117. Would not that give you a fair idea of what the country was twenty years ago?—Perhaps it would, but it is a question which is rather beyond me.

118. Do you suppose that at the end of twenty years if your means of transit are not improved that your rent will be raised?—I have had an idea that it would be increased.

119. If the railway were put in here I suppose you could stand an increased rent?—I hold the land for twenty-one years, and I would say there should be no increase during that time. After the twenty-one years I do not like the idea, and I would rather have the right of purchase and do away with that sort of thing.

120. Could you pay a higher rent if there was a railway through to Whangamomona?—Yes.

121. You spoke of the construction of these roads: do you think the present system of piecemeal construction is economical to the State or satisfactory to the settler?—I do not.

WILLIAM GLEESON examined.

122. *The Chairman.*] What are you?—I am a settler holding 163 acres under the lease in perpetuity. I have held it for nine years. It is a mile and a half from here, and I am paying about £10. I am satisfied with my land and tenure. I am all right for a road, but only since lately. I had my trouble too in that respect. It is pretty rough country, but I manage to dairy on it. We are handicapped here through not having transit facilities for the settlers. The price of provisions presses hard on large families. We cannot get to our dairy factories through the want of good roads. If this state of things continues for another five years I do not think there will be one Crown tenant of the settlement left in Whangamomona, as they are already leaving in ones and twos. Ten went away during the last twelve months, and things have been going to the dogs altogether. Their places seem to fall into the hands of the mortgagees, who step in and take possession of their hard earnings. It is the capitalist and money-lender who are reaping the benefit from the people who are leaving the district.

123. But surely others are coming into the farms?—There is a little bit of aggregation going on, and that should not be allowed in this locality.

124. It is only going on in the freeholds?—No, in the lease in perpetuity.

125. But that can only be done by leave of the Land Board?—The Land Board has given that permission. Then, again, the people here formed a factory and were bound jointly and severally, but ten of the shareholders have left the district, and it puts the burden of the factory on the remaining people, and eventually it may help to close the factory to the loss of the working-classes.

126. Is it still in operation?—It is leased for a certain number of years to Mr. McCluggage, of Whangamomona. On account of the high price of provisions and the low price of our produce in the shape of butter-fat it is impossible to farm in this locality unless we have direct communication by railway. Last year we only received 6½d. per pound for butter-fat.

127. I suppose that is owing to the high price of taking the butter down?—Yes; the transit charges between here and Stratford are so high that it takes away a lot of the profit. Then there are the bad roads. The factory does not get a sufficient supply of milk. I only supplied milk for six months this year, and some of the settlers for four and five months only.

128. *Mr. Anstey.*] You say, owing to the want of travelling facilities the district is going back ?—Yes.

129. What do you think is the best way to proceed to get those facilities ?—Give us the railway very quickly.

130. Supposing you got a good metalled road to connect with Stratford ?—No ; we want the direct communication.

131. In that case, would it not be better if the Government spent not much more money on the road ?—No. They should send the railway direct. They only metal one mile of road a year, and we want the railway.

132. How long would it take to get a railway in here ?—If the section to Mangaia were completed this year it would help this locality very much.

133. Is there any considerable section of the railway finished ?—There is twelve miles finished to Oruru, and they are working on the third section, about twelve miles in length. The railway is twenty-nine miles from here at present, and an effort should now be made to concentrate their efforts on this railway. Merchants and others in New Plymouth and Stratford have been working against us, because it does not suit their interests that the line should be constructed, as we might be able to get goods cheaper from other centres than from them.

134. Do you find you can farm your land well under the lease in perpetuity ?—Yes ; I would have no other system in the colony.

135. Do you find you can improve it ?—Yes.

136. Do you let your farm run for weeds ?—No, there is not a weed on it. The only thing that prevents my going ahead with the lease in perpetuity is that we have got no railway. A number of other settlers are contented with that lease.

137. *Mr. McCutchan.*] There are twenty-seven thousand members of the trades and labour unions, and if they state they want to revalue your leasehold at your death you would consider it very hard on your family ?—I would have nothing to do with the revaluation. I entered into the contract with the Crown and I expect them to keep faith with me.

138. No doubt the Government purpose keeping to their contract ; but if a section of the community wish to bring about a change in the direction of making the revaluation retrospective they will put people in power, if they can, who will carry out their wishes. As a British citizen, in the event of your predeceasing your wife and family, do you think you would go to your grave satisfied that that property under those circumstances would be secured to your wife and family ?—I certainly think so.

139. Have you any fear that this party will make headway and endanger your position ?—No ; but I do not think any party would like to take away my right to leave my lease in perpetuity to my wife and children. If such a thing were done it would not be tolerated by the people.

140. Is it your opinion that this demand for the freehold is largely due to this agitation in the centres ?—No.

141. You have never heard that the people fear revaluation on account of this agitation ?—No ; I have never feared it.

142. You speak of the Crown tenants leaving the district. Do you refer to the Crown tenants generally or the Crown tenants under the improved-farm settlements ?—To some of the originals under the improved-farm settlements.

143. Can you state what percentage of those settlers are now on their land ?—About 30 per cent.

144. Speaking generally of the settlers who have gone away, have they been forced away by the extra cost of living and by bad transit facilities ?—Yes ; excepting the few who have been driven away perhaps by spite, but most of them went away on account of the high rate of living and inability to obtain work.

145. Has there been any aggregation of estates outside the limits fixed by the Act ?—Not perhaps over the 2,000 acres, but there is aggregation going on all the same.

146. But that aggregation here has been allowed by the Land Board ?—Yes ; of those who have left the district. You have done a little out of it, Mr. McCutchan. You had one section yourself at the upper end which was originally in the hands of a Crown tenant.

147. Do you state that on your oath ?—It was one of your boys, I think. I do not know whether it was your boy or yourself, but one of you have had it. I might mention other men who have got sections—Mr. Coxhead and others. There are several more who have taken up sections who have added them to their land.

148. I am not disputing the fact, but the question is, has there been any breach of the law ?—That is a critical question.

149. You have made the charge, and I ask you again, Has there been any illicit aggregation of estates in this district ?—Not what you call illicit, especially if you mean to say that there has been tampering with the Act. I could not say that. I did not mean to say that they had been obtained by fraud. There has not been any instance of that to my knowledge.

150. If the settlers in the district had not been allowed to take up additional land would, those men have been able to continue in the district ?—The original Crown tenants had their holdings increased from 100 to 200 acres.

151. Some of them got 300 acres ?—Yes.

152. Do you mean to say that the Land Board has connived at this breach of the law ?—Certainly not, but there are cases.

153. Mention one instance ?—I could not, because I have not tried to find any, but perhaps I could give you a name or two later on.

154. I think it is wrong of you to make a general statement that you refuse to substantiate, and cast reflections, not only on the Land Board, but on the settler ?—What I say I stand by.

155. I ask you to substantiate the statement you have made: can you do so?—We know there are people who have taken up land in this locality, and we know there are no houses on their sections.

156. You are aware that there is a four-years exemption?—Yes.

157. Can you mention one instance in which, after the four-years exemption has expired, the Land Board has not called upon the holder to fulfil the conditions?—Who is living on Mr. Monkhouse's land?

158. But that land was taken up in such a way that it did not necessitate residence?—I did not know that.

159. Would you advocate compelling people to buy land for cash to fulfil similar conditions as to residence and the improvements as those who take up land under leasehold?—Yes.

160. In the case of the lease in perpetuity and the occupation with right of purchase, the term is in one case six years and in the other ten years. Do you think the term should be made the same in both cases?—I think that both should be put on the same level in the matter of residence, and that the term should be ten years.

161. Is it the case that many of the improved-farm settlers in this district made applications to the Advances to Settlers Department for loans and were unable to get them?—Yes.

162. Was the result of that refusal that many of these settlers were forced to go to private money-lenders and get advances?—Yes.

163. And they were able to get what they required from the private money-lenders after they had been refused by the Advances to Settlers Department?—Yes. I have known cases in this locality where settlers have been forced to pay 12 per cent. for the money they have obtained, and in many cases 8 and 9 per cent., and in some cases 6 per cent.

164. Have you seen any bills of costs in connection with these loans?—I know that the legal costs are something outrageous. I consider that it is practically a case of the lawyers being all Jews.

165. Is it the fact that in many cases these loans were only given for three or four years?—Yes.

166. And were procuration fees charged in addition to the 10 per cent. interest?—Yes.

167. And were the law costs very high?—Yes, I believe they amounted to about £7 or £8 per £100 in some cases.

168. These loans have been maturing at the same time?—Yes.

169. Has the Advances to Settlers Department lately been given an opportunity of taking up these loans as they matured?—Yes.

170. And is the Department advancing the money that it formerly refused?—Yes, in some cases, but not in all cases. I think the Department would be justified in advancing in all cases here.

171. Is it a fact that the Department formerly was only prepared to advance 50 per cent. on the tenants' improvements, and that it is now advancing 50 per cent. on the tenants' improvements and 50 per cent. on the goodwill?—I do not consider the Department is advancing as much as it might safely do.

172. Are you aware that there is no distinction made in advances made for further improvements and advances for paying off a mortgage or for buying up more land? Where a man wants a loan for the purpose of improving his land, do you think the Government would be justified in going beyond 50 per cent.?—Yes.

173. The freeholder is allowed an advance up to 65 per cent. Do you think the leaseholder should be put on a similar level?—The leaseholder under the circumstances you have indicated should, I think, be put on the same level as the freeholder.

174. With reference to the disabilities under which the signatories in the case of a dairy factory labour under jointly and severally, do you think that the responsibility could be attached to the land, so that that responsibility might be handed on to a new settler taking up that land?—Yes.

175. It was chiefly men with families who left the district. Did they leave the district better off, as a rule, than when they came here ten years previously?—I do not consider they did. When we came here we were poor. We were hungry, and the present Government fed us; we were naked and they clothed us, and we were thirsty and they gave us water. That was the position of the early settlers in this locality, none of them had anything. I had not a threepenny-bit myself.

176. Is it not the case that men came here in the prime of manhood with large families, and after undergoing great hardships and expending all they had on the land they had to go away, in many cases broken in fortune and in prospects?—Yes.

177. *Mr. Paul.*] You have drawn a doleful picture of this district?—Yes, but it is true.

178. Are the holders of the land here improving their land?—Yes; most wonderful progress has been made in this district.

179. Are you improving your holding?—Yes.

180. The settlers have not lost faith in the district?—No; but I think they will lose faith in the Government if it does not give us the railway and good roads. If a borrowing policy was established, and if fifteen or twenty millions was borrowed to complete our railways, that money would not go out of the country. Half of it would go back into the revenue of the colony, and in many other ways the Government and the colony would gain by the expenditure of that money. I think that close on ten millions of it would be spent in the country itself. It would not be lost at all.

181. You said that it would not be much use to go on spending more money on this road?—If that road is to be treated in the way it has been for the last five or six years, I think we will nearly all be compelled to leave this district.

182. Do you think there is more likelihood of the Government making the railway if they leave the road alone?—Yes, I think so.

183. Do you know of any sound reasons why the settlers in this district should not have the railway and the road also?—I think the railway should be made. It would enable metal to be brought here, and so the road could be made much more cheaply and satisfactorily.

184. You mentioned some exorbitant cases of interest charges. Did the Land Board sanction those high rates of interest?—I do not think the Land Board knew of those high rates. Everything does not come under the notice of the Land Board. Cattle and other things can be mortgaged. I think the Advances to Settlers Department alone should lend money to Crown tenants. I am convinced that no private person should be allowed to lend a Crown tenant money.

185. Do you not think the freeholder would have good ground for objection to such a system?—He could go to the Department too if he desired, but I consider that the Crown tenants should only borrow money from the Advances to Settlers Department.

186. Do you think that a majority of the people of the colony are in favour of the State repudiating its bargain with the Crown tenant?—I feel sure that the majority of the people will not repudiate the bargain the State has made. The Trades and Labour Council and the working-classes comprise 65 per cent. of the population of the colony, and if they wanted to do an injustice to the country settlers they could do so, because they have the largest vote at the present time.

187. And do you think they could just as easily interfere with the freehold if they desire to do so?—Yes.

188. Do you think that a man should be asked to reside on his land before access is given to it?—No; the early settlers in this district and their families had to undergo the greatest hardships. It is only right, in my opinion, that men with means who take up land should be compelled to fulfil the residence-conditions as well as the poor man.

NICHOLAS BENJAMIN FRYDAY examined.

189. *The Chairman.*] What are you?—I am a settler, but I hold no land just at present. I have been a settler for twenty-five years in the Ngaire Survey District. I held 210 acres of land there. I am simply passing through Whangamomona on my way to Ohura.

190. Have you any special matter you wish to bring before the Commission?—When we took up the land we paid £1 an acre under the deferred-payment system. We were supposed to get 6s. 8d. out of the pound in order to give access to our sections. The Government gave us that money. I contend that the deferred-payment system is the best that was ever introduced in the colony, because you have fourteen years in which to pay the full amount on making certain improvements. After that, I and other settlers went in for a dairy factory, and we had to guarantee the bank jointly and severally. We borrowed the money at 8 per cent. from the bank, and that debt was liquidated by the deduction of 1s. on every 60 gallons of milk. We also went in for a loan under the Loans to Local Bodies Act for the purpose of making a road to give us access to the factory. I consider that the Loans to Local Bodies Act is very good so long as it is properly administered. What I complain of is that the Valuation Department steps in and increases the unimproved value, in our case by something like £3 an acre. We actually bore the heat and burden of the early settlement of the land, and we made great improvements in the district without any help from the Government. I paid £1 an acre for my land, and now it is valued at over £11 an acre. I therefore complain of the increase in the unimproved value put upon that land. The railway was made when we bought the land, and any improvements that have been done have been effected by the settlers themselves. Still we are taxed on our improvements. The people there are a very industrious set of people. They are not large holders of land. There is no aggregation of large estates there. In fact, the only fault is that the sections are too small. A man with a family of six or eight has to pay a big price in order to get an additional piece of land to maintain himself and his family. I would also like to call the attention of the Commission to the land-administration. At that time, 20 per cent. of the Land Fund of Taranaki had to go to the New Plymouth Harbour. Owing to the change in the land policy and the establishment of the lease in perpetuity and other tenures, a much smaller sum of money now goes to the harbour, leaving the whole of the increased liability to be borne by the remaining struggling settlers. The position is that about £160,000 has to be made up by a certain number of these settlers owing to the change in the land policy of the colony. There is another matter I desire to refer to. Some three years and a half ago I was appointed chairman of an association of some forty-six settlers who desired to take up land. A long delay occurred, and after all the land was given to other men under the improved-settlement system or to co-operative workmen working on the Main Trunk Railway-line. I think that an injustice was done to myself and other settlers in that matter. I am a freeholder, and I believe in the freehold. I need hardly say that I am an Irishman by birth. Forty-five Land Acts dealing with Ireland have been introduced into the British Parliament, and it has ultimately been found that the freehold system is the only solution of the land problem in that country. I think the Land Boards ought to be elected by the people on the same basis as County Councils. I think in that way men of good practical experience and men who know the requirements of the district would be elected to the Land Board. I may say that, in my opinion, Whangamomona has been cut up into too small sections. I think, also, that the pacification of the land is far from being perfect. First-class land, in my opinion, is very scarce.

191. *Mr. McCutchan.*] Would you be in favour of giving the Land Board power to examine all applicants as to their suitability?—Yes. I know that great injustice has been done by unsuitable people being allowed to take up land, thus shutting out a *bonâ fide* settler.

192. In the case you have referred to, in which you say that an injustice has been done to yourself and other settlers, is it not possible that the Minister disapproved of some of the conditions under which you wished to get on the land?—He did not say so.

193. The great difficulty is to put poor people on the land under suitable conditions. Do you not think it is a wise policy to endeavour to put the people on the land?—That is reasonable enough. I omitted to state that about the time I have referred to people were allowed to take up land in an adjoining block, and now all the eyes have been picked out of that land under the system then adopted.

194. Were the co-operative settlers settled along the main arterial line of road?—No,

195. Do you think it is possible for the Government of the country in placing the poor people on the land to devise a better system than giving them work on public works, and at the same time allow them to take up reasonable-sized sections, and thus provide homes for themselves and their family?—The lease in perpetuity is a great handicap to a poor man. If he wants to improve his place, he perhaps goes to the bank for a loan, and the bank will not give it to him, and neither will the private money-lender.

196. Is it not very desirable, if the Government have reasonably good land to dispose of, that they should give these humble people an opportunity of going on the land?—Yes.

197. You and your association were in a position to help yourselves and did not require assistance. Do you not think it is desirable that the State should assist men in humbler positions to get on the land, and let those who are in a better position look after themselves?—The majority of those who were associated with me are only working-men now.

198. Would you make the whole four members of the Land Board elected?—Yes, all except the Commissioner, who should have a knowledge of survey work.

199. *Mr. Paul.*] You approve of the County Council franchise for the election of members of the Land Board?—Yes.

200. And you contend that citizens in the towns should have no voice in the settlement and administration of the national estate—that is, the land?—No, because they do not get their living out of the land. If residents in the towns desire that right they ought to come and live in the country for a few years, and pay £1 5s. for a bag of potatoes, and £1 2s. 6d. for a bag of flour, and then after a few years they will change their opinion very quickly.

201. You recognise that the Crown lands are the greatest asset the country has. Do you not think that every citizen of the colony has a right to say how the land should be disposed of. Before you picked up your land do you not think that you had an equal share with everybody else in saying how the land should be administered?—The townspeople seem to look very well after themselves, and I think if they looked after the country people a little less it would be all the better.

202. That is probably because you do not know the townspeople?—I have seen the platforms of certain townspeople, and I have come to the conclusion that the townspeople do not really know what they are looking for. In regard to the election of the members of the Land Board, I only desire what I consider is fair and right.

203. You want the back-block settlers represented directly on the Land Board?—Yes.

204. In this settlement you have a Crown tenant standing for election to the Board. Do you not think the more popular centres near Stratford and New Plymouth would elect the four members of the Land Board, and leave the sparsely populated districts unrepresented?—I do not think so, but I can see that the more thickly populated districts would outvote the back-block settlers. Still, I think it would be a good reform, and would be better for the community if the members of the Land Boards were elected.

205. Have you had any dealings with the Land Board?—Not very many.

206. You have no grievance against the Board?—No.

207. What system do you think is the best to put the poor man on the land?—The deferred-payment system.

208. Do you think a poor man can go into this country, fell the bush, make his improvements, and buy the land in fourteen years?—I think so; that is if the land is worth working.

209. *Mr. McCutchan.*] You said that the settlers labour under a disadvantage inasmuch as the change in land legislation prejudicially affects the position of the New Plymouth Harbour?—Yes.

210. Was it not the case that under the land legislation prior to 1892 the harbour got 25 per cent. of the land sold?—Yes.

211. And a change in that respect has been brought about owing to the land legislation of the colony?—Yes.

212. Now they are getting 25 per cent. of the rentals instead of the capital value, and that necessitates a higher rate being struck?—Yes.

213. Are you of opinion that the settlers in the district should be recouped the loss sustained by the change in legislation?—Yes.

ERIC ROBERTON examined.

214. *The Chairman.*] What are you?—I am a settler, and hold 1,200 acres—900 acres occupation with right of purchase and the rest lease in perpetuity. My rent for all the land is £38 a year. I have held this land for five years and a half. It is fourteen miles from Whangamomona.

215. How are you off for roads?—There is a mile that as not yet been made. By dray I can reach to within a mile of my homestead.

216. Are you satisfied with your tenure?—I am satisfied with the occupation with right of purchase. I would like to get occupation with right of purchase for all the land.

217. You want to have an opportunity of making it freehold?—Yes.

218. Is there any particular matter you wish to bring before the Commission?—I simply wish to draw attention to the question of roading. I have been there five years and a half and have not got a dray-road to my house yet. The land, however, is loaded for roading, but the money has not been spent. I wrote to the Road Surveyor asking what had become of the loading, and he informed me that a great deal of it had been spent on another road outside the loading-area altogether.

219. Did you expostulate?—Yes, and he said although the money had been spent outside the loading-area it was legal, as it gave access to another road that was within the loading area. I do not think that is fair, because the other road has its own loading-area.

220. Who spent the money?—The Government.

221. Are there other settlers also interested in this road?—Yes, two besides myself.

222. What do the other two settlers pay?—About £10 a year.

223. That makes the amount of the three “ thirds ” about £24 a year?—Yes.

224. Has that been expended?—No.

225. *Mr. Anstey.*] Is there anything in your lease that prevents you farming the land well?—No.

226. If you were sure there would be no alteration in the lease, there is nothing to prevent farming the land successfully?—No; but I would never have come here to take up land if there had not been the option of purchasing it or a part of it. I may say that I bought the goodwill of the lease-in-perpetuity section.

227. Did you pay any more for the goodwill than was sufficient to cover the improvements?—There may have been a little more than was spent on the land, but not more than the improvements were worth, because I consider the money was badly expended.

228. *Mr. McCutchan.*] On what terms do you wish to convert your lease-in-perpetuity lease?—I would be willing to pay the extra 1 per cent. and the interest on the 1 per cent.

229. With reference to the loading on your block, you said it had been expended elsewhere?—A great part of it.

230. So that you are in a position of paying for 999 years to the Government interest on money that has never been expended by the Government?—Yes; or if I convert into freehold I pay it for all time.

231. Were any of the “ thirds ” pledged for interest on the loan you raised?—No.

232. Are these “ thirds ” still in the hands of the Receiver of Land Revenue?—I could not say.

233. Have the settlers made any applications to the local body to have the “ thirds ” scheduled for expenditure on roads?—No. I believe the amount of “ thirds ” accruing for expenditure in that locality is about £70.

234. *Mr. Paul.*] You said that you would not have taken up the land except for the occupation-with-right-of-purchase tenure?—Yes.

235. Why did you take up the lease-in-perpetuity section?—To give me a little more ploughable land and a better site for a homestead.

236. But you now say it is an unsatisfactory tenure?—I did not say it was unsatisfactory.

237. Is it an unsatisfactory tenure?—It is if I can get the freehold. I would sooner have the freehold than the lease in perpetuity.

238. Do you say that the lease in perpetuity is an unsatisfactory tenure?—I do not know that I would call it unsatisfactory.

239. Do you know how the advances-to-settlers system is working in this district?—No.

WILLIAM HALLETT examined.

240. *The Chairman.*] What are you?—I am a settler, and hold 185 acres under lease in perpetuity, and I have held the land for ten years. My land is ten miles from Whangamomona, and my rent is £11 15s. a year.

241. Are you satisfied with your tenure?—No, I prefer the right of purchase. It seems to me that the labour organizations are becoming so strong that they will ultimately carry everything before them. I believe that as soon as they are strong enough to get into power they will make a change in the lease-in-perpetuity tenure, and that there will be periodical revaluation of land. My land was all bush when I took it up, and I have put 140 acres under grass. I went in for dairying for two years, but suffered a considerable loss owing to unfortunate circumstances, including what I might term a convulsion of nature, which destroyed my fences and otherwise did great damage to my land. The result has been that after having spent ten years on the land I have to become a navvy again in order to earn a living for my family.

242. Was it an earthquake that shook the country?—No, a heavy storm. I made application to the Land Board at the time for a remission of rent for two years with the privilege of making it up at the expiration of the time, but I find I will not be able to make it up, as it takes me the whole of my time to make a living. I heard nothing more about it except that it had been forwarded to Wellington.

243. How long is it since you represented the matter to Wellington?—The damage was done twelve months last February, and it was a few months afterwards. I got a reply from the Land Board stating that what I asked for was very reasonable, and that the application was forwarded to Wellington. I was told to lay the case before the Commissioner when he was here.

244. Did you manage to clear your debt by selling the cows?—No; I had to borrow money on mortgage to pay it off.

245. Have you a road to your place?—The main road runs past the door, but it is impassable for six months of the year.

246. *Mr. Anstey.*] You fear that your tenure is not secure owing to the agitation of the labour party?—Yes.

247. Supposing the labour party is strong enough to induce the Government to vitiate your title, do you not think they would be strong enough to interfere with the freehold title if they wanted to?—Yes; but I think every man is entitled to an amount of freehold as his inheritance.

248. When you entered into an agreement with the Government for 999 years you have a title as good as a Crown grant?—Yes, but the labour party are trying to upset that title.

249. You think that an agreement entered into should never be broken?—That is so.

250. Can you say, then, why you come here and ask for a breach of your agreement?—Because I am frightened it is going to be broken, and I want it as my own property.

251. Supposing you are assured that the Government is going to keep its contract with you, would you be satisfied?—If I was given an assurance that my lease was not going to be tampered with during its term I would be satisfied, but I have not got that assurance.

252. Has any one in authority told you your lease is going to be broken, or is your fear the result of reading?—The result of reading.

253. Could you acquire your freehold?—If I had the right of purchase I might be able to accumulate the funds.

254. Did you apply for your loan under the Advances to Settlers Act?—I have now.

255. Did you not apply to the Government when the accident happened?—No; I got the money privately and it is now about due, and I have asked the Government to take it over for me, but the Department has refused. They will only give me half the value of my improvements.

256. What interest do you pay on the private loan?—8 per cent.

257. *Mr McCutchan*] Is your wish for the occupation with right of purchase subsequent to and in consequence of this agitation for revaluation from the towns?—It is probably based on that.

258. As an intelligent settler of the colony, do you think it is possible for any Government to give you an assurance that your lease will be in no way tampered with?—I am afraid it is not.

259. Do you think it is probable or even possible that the labour party are sufficiently strong and well organized to place a Cabinet in power to carry out their wishes?—I believe it is working very strongly that way.

260. Have you had any loss through tutu-poisoning?—No, I keep it all cut.

261. Can you say if the settlers generally throughout the district have suffered as severely as you have?—Some of my neighbours have.

262. Has a general application gone from the district for a remission of rent?—I think so. I know a good many settlers have applied for compensation.

263. With reference to your application to the Department for a loan, did you apply for an amount in excess of half the value of your improvements?—According to the value they have placed on them it is in excess.

264. You know the Department has no power to advance more than half the value of their assessor's valuation of the improvements?—Yes.

265. Do you think it would be safe to advance more than 50 per cent.?—Yes.

266. Have you applied since the regulation came in allowing an advance up to 50 per cent. of the improvements and the goodwill?—I have applied again and three weeks ago got a reply again refusing the request.

267. *Mr. Paul*.] You think the general trend of legislation will be against you if the labour party come into power?—I am afraid it will.

268. Why do you think that?—I think they will bring in periodical revaluation, which will break the agreement I have entered into.

269. When did you come to the conclusion that you were dissatisfied with the lease in perpetuity?—Shortly after I took it up and got more knowledge and information about the land laws.

270. That will be nine years ago?—Within the last six years I became convinced that it was safer to have the freehold.

271. What was the attitude of the labour party on the revaluation question six years ago?—As near as I can remember the attitude of the labour party since I have taken the thing into consideration at all has been for periodical revaluation of all leases issued under lease in perpetuity by the Government.

272. I suppose you would believe me if I tell you that the labour party never proposed the revaluation of existing leases until last year, and that they then decided that it would be wise to revalue existing leases on the death of the lessee or at the transfer of the lease?—I may be mistaken, but I understood that the revaluation referred to all leases until this last occasion that you mention, when they made the amendment that the revaluation was to come into force at the death of the tenant or at the transfer of the lease.

273. Can you tell me what object the labour party, if they became the dominant party in this country, would have in harassing the settler or bringing about conditions which were against his welfare?—They might not definitely go to do it with that intention, but I am under the impression that the labour party, having no knowledge or experience of the hardships of the back-block settlers, are not in a position to pass a law affecting them.

274. Is it not reasonable to suppose that the majority of the labour party are sensible and level-headed men, and know that the welfare of the country and of the towns is so wrapped up that one cannot be injured without the other? Is not that a reasonable view to take of it?—It would be reasonable, but it is quite possible for them to pass legislation that would injure the back-block settler without injuring the towns at all.

275. Do you think it possible to injure the settler without affecting the towns?—Yes, the back-block settler under lease in perpetuity.

JAMES MOIR examined.

276. *The Chairman*.] What are you?—I am a settler, farming 393 acres under occupation with right of purchase, about eleven miles from Whangamomona. About 250 acres of it is cleared of bush. I have been in possession for about three years, and pay between £15 and £16 a year rent. I am satisfied with the occupation-with-right-of-purchase tenure. A dray can come to within two miles of my homestead, and I am indebted to the courtesy of my neighbour for a track through his paddock from that point to my house. I bought the section from a person who had more sense than I had.

277. Do you think you gave the outgoing tenant anything over and above the value of the

improvements?—I paid nothing for goodwill. I paid what I considered a fair amount for improvements.

278. Was the land loaded for road-making?—Yes.

279. Has the loading been expended?—I do not know. I wrote about the “thirds,” asking that they might be held over. The Government, however, have been doing some work which will be no use to me, because the road they are making leads to a creek which I cannot cross.

280. Are there many people interested in this particular piece of land?—Above me there are some, but below me the land belongs to the Crown, and is unopened.

281. There cannot be a large amount of “thirds” for this road, then?—No.

282. You are rated in addition, of course?—I pay rates to the county and rent to the Government, and cannot get access from either.

283. The county do nothing for you?—They cannot. It is not a county road.

284. Has any money been expended by the Government by grant over and above the “thirds”?—I cannot say.

285. It is the Government that has done anything that has been done?—Yes; but the Government has never made the roads, and that is a condition of the occupation license—that the roads are to be made.

286. Was this land worse situated in regard to roads when you took it up three years ago than it is now?—No, it was the same as now.

287. *Mr. Anstey.*] Do you know how much loading was placed on the section for roads?—It is valued at somewhere about 15s. per acre, and about a fourth of that would be for roads.

288. Do you say none of it has been spent?—The Government has been doing something lately, but they may as well throw their money into the fire.

289. You are quite sure that the money has not been spent?—From the point where the road junctions on to another nothing has been spent.

290. If it had been spent, would it have been sufficient to give you access?—I could not say. It is not a difficult portion of road to make.

291. Supposing this money is not sufficient for roading, do you think it would be right for the Government to put an additional loading on all lands before opening them up so as to road them at first?—I take it that when the Government send out surveyors they send men who are capable of estimating the cost of making roads, and that they would put sufficient on the land in the first place.

292. You think there is sufficient for all the roads at present?—There should be.

293. *Mr. McCutchan.*] As the country has developed and as the revenue has increased, do you think the Government grants should have increased proportionately?—Certainly.

294. Are you aware that between 1881 and 1891 grants fell from £352,000 to £168,000?—No.

295. You are an advocate of the freehold tenure?—Certainly.

296. Do you think the freehold is the best in the interests of the State?—Most decidedly so.

297. Do you not think that under the freehold there is likely to be an aggregation of estates, and that the good work of the land-for-settlements policy would be nullified?—No.

298. How would you prevent it?—The people in New Zealand must be credited with a certain amount of brains. In France, where it is all small holdings, there is no tendency to aggregate the estates, and I think the people of New Zealand would be equally anxious to pass on their properties to their families.

299. Would you limit the amount of land one could hold privately or under leasehold?—Certainly.

300. Seeing that there is no law of entail in the colony, and that properties are usually divided on the death of the owner, do you think these two factors present sufficient to guard against the aggregation of estates?—I should think so, especially as the land-tax rises in proportion with the area held.

301. Have you ever been a leaseholder under lease in perpetuity?—Yes.

302. Did you find it satisfactory?—No.

303. Had you any reasons for dissatisfaction—did you find a difficulty in financing or working your place?—I have this reason: Very shortly after I took up the place I saw that all those who preached lease in perpetuity were fighting shy of it. With the exception of Mr. Vile, of Manawatu, there is not a single M.H.R. that I can discover who holds a lease in perpetuity at present. Mr. Hogg, of Masterton, held a section in an association, but when the time came for him to do the improvements he got out. The only conclusion that I could come to was that members had some information, which they will not make public, which induced them to keep clear of lease in perpetuity.

304. In view of the fact that it is a wise thing to make the payments as light as possible, do you not think the lease in perpetuity has served a useful purpose in enabling people with little capital to get on the land?—Decidedly.

305. Do you advocate that tenure being removed from the statute-book?—No; but I think a man should have a chance of acquiring the right of purchase within ten years, on the payment of 1 per cent. from the date that he took his lease.

306. From your knowledge of the district and the settlers, can you say that the residence conditions press hardly on the settlers?—I think that the residence conditions is a matter that should be left a good deal to the discretion of the Land Board, because in some cases I know they are carried out very laxly, whilst in other cases I know they are very strictly enforced.

307. Are you satisfied with the constitution of the Land Board?—I think the Board should be elective on the County Council franchise.

308. It was pointed out to-day that it was really unfair to exclude certain sections of the community having views on the land question, and they would be excluded under the County Council franchise. The whole colony is interested in the money used for the purchase of the land from the

Natives, and seeing that the whole of the colony is interested should they not all have a voice in the election of Land Boards?—No; I am not prepared to admit that, because there may be a good-sized town in the land district, and you may as well say that the settlers have a right to appoint a man to a seat on the Trades and Labour Council as to say that the trades-unions should appoint a man to a seat on the Land Board.

309. Do you advocate the whole of the members exclusive of the Commissioner being elected?—Certainly.

310. And do you think the Commissioner is fairly representative for the other party—the State?—The Commissioner is a man who should certainly understand the land question.

311. What is your opinion of the co-operative-works system?—It is very good if properly carried out.

312. You think it could be made better?—Certainly; by allowing each party to choose their own mates.

313. Do you think it is wise to bring outside labour into a district where there are a lot of struggling settlers?—That is a question that is very difficult to answer.

314. If the local labour provided by the settlers in the district is adequate to cope with the work of the district, do you think it should be given to them and outsiders excluded?—Certainly.

315. You do not advocate the abolition of the system?—No; I advocate its improvement.

316. Is there any direction in which you would advocate a reform?—Yes. I should treat co-operative workers the same as small contractors. Each party should be supplied with schedules of the work and plans, so that they would know what they are doing. It would relieve a great deal of dissatisfaction amongst the men.

317. Is there any limitation as regards hours?—I do not know that there is a hard-and-fast rule, but eight hours is recognised as a fair day's work.

318. Would you advocate a change in the direction of allowing men to work as long as they liked, and to make as much wages as they can?—In summer weather I would allow a man to work as long as he liked.

319. Subject to these changes, do you think work can be done as economically under the co-operative system as under the contract system?—I do not see why it should not.

320. Would you invite tenders for the work?—I would let the engineer place a fair estimate on it, and allow the men to choose their own mates and go to work at it.

321. And make as much as they can?—Yes.

322. *Mr. Paul.*] You have a fair knowledge of how long it takes a man to work himself out in a day. Do you think eight hours is the limit?—He may put in another hour, but that is about all I would give him.

323. You said you would not like to take advantage of the Rebate of Rent Act. Could you have if you wanted to?—Certainly.

324. Have you refused to do so?—I have not taken advantage of it yet.

325. What voice would you give to the Crown tenants in the towns in the election of the Land Boards?—I do not say that there are any Crown tenants in the towns.

326. Do you not know that the Government have acquired land in the towns and settled people on them under lease in perpetuity?—They may have acquired building-sites, but that is quite a different thing to coming out here into the back blocks.

327. You would not give them a voice?—If they were leaseholders they would have a voice, I suppose, but no one not holding a lease could have any voice.

328. Would you give the freehold landowners in the towns a voice?—I was referring to the country landowners.

329. You would give the town leaseholders a voice?—They can only be suburban leaseholders at best.

330. They hold land under lease in perpetuity in the City of Christchurch, for instance?—I did not think there were any within the bounds of the cities.

331. Would you give them a voice or not?—To a certain extent I say give them the county franchise.

332. Do you simply want country settlers to be represented on the Land Board?—Those are whom the Land Board governs.

333. What do you think those members of Parliament have in their minds that they are keeping back from the country with regard to lease in perpetuity?—They must know something of the working of the labour unions.

334. Do you think Mr. Vile knows anything about labour unions?—I do not suppose they would let him know much; but he acquired his lease in perpetuity before he was elected to Parliament, and he did not come out into the wilderness.

335. *Mr. McCutchan.*] Do you think any more satisfactory method is desirable for the making of assessments of the unimproved value and the value of the tenants' improvements?—I can give you my own experience of it. The lease in perpetuity that I hold was valued by the Government at considerably over £6 per acre. I wrote back to the Department saying that it was too much, and after a considerable amount of correspondence they agreed to reduce it by, I think, £80, but they made the deduction from the value of my improvements, and let the unimproved value stand as assessed by the valuer. That is not just or fair. The man never saw the section.

336. Do you mean to say that an officer of the Department made an assessment in which he stated quite clearly that your valuation was made up of so much improvements and so much unimproved value, and that when you objected he admitted he would make a reduction provided you agreed that it should come wholly from the improvements?—Yes; he said they would deduct £80 from the valuation of

my improvements, and as far as I could discover the officer who valued me never set foot on the property.

337. Do you think it should be the law of the land that no officer should make an assessment except after going over the property with the occupier of the property?—Most decidedly.

338. Can you state that these assessments are made with any frequency without thorough examination?—I cannot say as to that. I will only speak of what I really know, and I do know that when finally I sold the property I had to sell it for less than the reduced value.

339. If your statements can be made good by other evidence you think there is a grave danger in connection with this method of revaluation, inasmuch as there is a tendency all over the colony to increase the unimproved value at the expense of the occupier's actual work on the land?—Yes.

340. *Mr. Paul.*] We will suppose that the present system of revaluation is abolished: is that any reason why it should be continued or would be in operation after the revaluation of future leases in perpetuity?—Judging by the way in which it is going on lately it is not likely to be amended.

341. Is there any reason why it could not be amended?—No; but there is a grave danger that it will not.

342. Why?—Simply because the towns would be all against it.

343. Can you tell me what factor there is at work in this district to set the country against the town?—I do not know that the country is against the town, but it is an evident fact by all the newspapers that the towns are pretty dead against the country.

344. A few witnesses who have come before the Commission to-day have exhibited a most pronounced bias against the towns?—The witnesses from this district know to their cost and sorrow what it is to live in the back blocks, and the townspeople do not. The townspeople are getting all the pickings in the way of buildings, whilst the poor country settler is up to the knees in mud, and has to pay three or four times what it ought to cost him for living.

ERNEST MASSY IZETT examined.

345. *The Chairman.*] What are you?—I am a settler, holding 80 acres under lease in perpetuity, and I have held it for nine years. It is situated six miles from here, and I pay £7 per annum. I have a dray-road and am very well satisfied with the tenure. I am one of the Whangamomona improved-farm homestead settlers.

346. Are any of your neighbours clearing out?—The land seems to be in the hands of the mortgagees.

347. Have some of the tenants left altogether?—Last week there were five sections vacant. All the best land in the place has been vacated. I would like to get a larger place, but these sections are all too heavily mortgaged for me to take any of them up. One of the five vacant sections was taken up last week.

348. Are there many improvements on these vacated sections?—Yes.

349. Did the people leave the district?—Yes.

350. I suppose the Government have advanced a good deal of money on them?—They have advanced up to the amount of the regulations.

351. There would be about £100 on some of the sections?—About that.

352. The mortgagee is really the Government?—No; private individuals.

353. Besides what is owing to the Government?—Yes.

354. Is there anything particular you wanted to say?—I wanted to say that it is a pretty rough thing that I cannot get a piece of land when there is an area lying behind me under a forest reserve. This land that is forest reserve is suitable for settlement, whilst there is other country in the neighbourhood which is only fit for forest reserve, but is thrown open for settlement.

355. Are you dairying?—For the home only. I run a few sheep and cows and horses.

356. *Mr. Anstey.*] These farms are too small for men to make a living on them?—Yes.

357. What size do you think these sections should be to enable a man to make a fair living?—Up to 300 acres.

358. You think it would be a wise thing for the Government to allow you to put two together?—Yes.

359. Would not that do men with small means out of an opportunity of taking up these sections—that is what they were intended for?—It might. I have never been able to stay on my section without going away to work. If I had 200 acres I could make a good living.

360. Why will not the Government give you that forest reserve?—The Minister said that if he got a favourable report from the Land Board he would grant the request, but the Land Board wrote back to say that they had not the power—whether they meant that they had not the power to make the report or to grant the request I do not know.

361. How are these small settlers farming their land?—They are working day and night on it.

362. Are they building on it?—Most of them have buildings.

363. Are they all satisfied with the tenure?—If they got more for butter-fat they would be.

364. *Mr. McCutchan.*] How did these sections get into the hands of the mortgagees originally?—I suppose to pay the tucker bill they borrowed.

365. Did they get this money at reasonable rates?—In some cases they did not.

366. Can you say if application was made to the Advances to Settlers Department originally?—I was under the impression that the Government would not advance sufficiently.

367. Did you make application?—No. I knew some who did and who did not get satisfaction, so I did not apply.

368. Do you know what interest is paid on these mortgages?—I pay 7 per cent. myself, but I know one case that is paying 12 per cent.

369. Did that get the sanction of the Land Board?—It was gazetted at 12 per cent., but I do not know whether it went through the Land Board.

370. Have you seen any bills of cost in connection with these loans?—One of my neighbours showed me his bill in connection with a loan of £150. It came to £22 10s. £7 of that was rent and the rest was expenses.

371. What did the expenses consist of?—£4 was for guaranteeing the loan, and there was a procuration fee of £3.

372. 2 per cent. for procuration fee?—Yes.

373. The balance was ordinary legal charges?—Yes.

374. Do you know what the charges would be under the Advances to Settlers Department for a similar loan?—Something like £2 10s.

375. So that in this case the charges were six times or more what the Advances to Settlers Department would have charged if the money was available?—That is so.

376. In these cases where applications were made to the Department was the advancing power to meet the needs of the settlers?—The settlers applied for sufficient to wipe off the mortgages. It is no use offering them anything less than sufficient to meet their requirements.

377. Do you think the extortionately high rates of interest charged by outsiders was due to the fact that the security was inadequate?—No; I think they used the fact that they could not get the money anywhere else as a lever.

378. Do you know of any loans being taken up by the Department lately?—I have known one or two.

379. They got the amount of the loan advanced to them by private parties?—Yes; I have known two who got more.

380. Do you think the State might safely advance up to 50 per cent. of the improvements and 50 per cent. of the goodwill?—Decidedly.

381. Do you think any further advance would be wise and prudent?—I think if a settler can pay an extortionate rate to an outsider he could very well pay the Government charges on cheaper money.

382. *Mr. Paul.*] So far as your dealings have gone you are satisfied with the constitution and administration of the Land Board?—Quite so.

383. *The Chairman.*] You spoke of 12 per cent. being paid for money: was that money advanced on the land?—I do not know. The bill of sale was gazetted at 12 per cent.

384. *Mr. Anstey.*] Do you know whether there is any political reason behind private lenders charging Government settlers a high rate of interest?—It seems to me that there is a political reason, and that is that the Government will not back up their own legislation by backing their own settlers. We had one case quoted by Mr. Massey where a man got £1,600 and they cannot let another have £500.

385. You are aware that there had been no loans beyond £500 in recent years?—Not that I know of.

ERNEST JENNINGS examined.

386. *The Chairman.*] What are you?—I am a settler with 89 acres lease in perpetuity, three miles from the township. I have held it ten years, and pay £8 5s. a year. I am pleased with my tenure. It is all cleared but 3 acres. I have a road and do dairying.

387. Is there any matter you wish to bring before us?—Yes. Regarding the constitution of Land Boards, I prefer the Government nominee system to any elective system. I would be against the proposal of the local bodies nominating Boards. It is the duty of the Land Board to administer the laws made by Parliament. Regarding the lease in perpetuity *versus* the freehold my idea is that the value of land can only be determined by what the producer can get from his holding. Supposing I have 100 acres of land in good grass, thirty cows would produce 2 tons of butter. I am a lease-in-perpetuity holder and my neighbour has the freehold. Supposing his freehold is rough, and he can only run twenty cows and produce 1½ tons a year: does it follow that the value of his freehold is worth any more than mine? It is a question of security of tenure, and I prefer a 999-years lease to buying a freehold. If I had to buy the freehold it would inflict hardship on me, because I would have to spend money in doing so, and with the money I paid for the freehold I could buy my cattle for cash instead of paying the auctioneer 10 per cent. for the cattle I would buy on credit. The cry about periodical revaluation is only a bogie of the money-lender, and if the time comes when periodical revaluation of Crown tenancies takes place, the freeholder will have to pay his quota also in increased land and income tax. If my tenure is secured to me I am as pleased with the present lease in perpetuity as with the best freehold in New Zealand. A witness stated that people who held land under the lease in perpetuity let their places go to ruin. I disagree with him, for in the case of a great many of the freeholds taken up under the occupation with right of purchase near Stratford and Toko, there are plenty of noxious weeds growing. There is not a great deal of difference in the manner in which a man looks after his place under the two systems. The greatest grievance we have here is the want of transit to the outer world by roads. We only get about a mile of road per year—in fact, we have not that much. We took up this land in 1895 and not ten miles of metal has been put on that road since, and we are a long time getting a metalled road, and we are not going to get it. What is most pressing here on people with families is that the railway should be completed to the East Road, so that every settler could take advantage of it. It is now too far away from Whangamomona, and until it reaches a point nearer to us it will not be useful. It should be completed to Mangaire. The Minister for Public Works must know that the railway is not up to a paying-point at present. If a man gets out to Douglas Road he does not take advantage of the railway, but drives on to Stratford, and the line is of no benefit to him.

388. *Mr. Anstey.*] Are your holdings large enough for a man to make a fair living out of them?—No. That was the great mistake in this settlement. They cut the sections up too small, and settlers

who had rough sections had to leave, and after that the sections were grouped in some cases. Unfortunately for me there has been no vacant section alongside mine.

389. What size would be necessary for a man to make a fair living?—The smallest size here would be not less than 200 acres, and at least two of them should be put together.

390. Supposing they were made so in the first case, would people of your means have gone in for the bigger sections?—I believe they could. When we took up this land we only had one year gratis, and then had to pay rent. Regarding the Advances to Settlers, a great many private mortgages were taken here in the first place because the improved-farm settler had to hold his land twelve months before the Advances to Settlers Act recognised him. Consequently they had to go to private money-lenders for money, and had to pay often 10 and 12 per cent. for it. We held the sections here before the Government decided to give us our leases, and when we got them and wanted a little money to improve our homesteads we could not get it through the Advances to Settlers Department until we held the leases twelve months. I have heard on good authority that one man who applied for £240 from them was only offered £40. Another man wanted £175 and they offered him £35. The improved-farm settler here cannot take advantage of the cheap money from the Advances to Settlers Department, and I think that the Department ought to be more liberal to the poor man.

391. Are there any freeholders here who neglect their farms?—There are not a great many here; but I cannot see any difference between either class—all farm fairly well. There are some noxious weeds, but not a great many. There are a good many about Toko, where it is all freehold. It would be a good thing if the local body would look after them a little, because they are gradually spreading from Toko to here.

392. I suppose the Government tenants are so well looked after now that they do not allow these weeds to grow?—I suppose so.

393. With regard to transit, one settler considered that the railway should be pushed through at all cost to the neglect of the road. What do you think should be done—the road or the railway first?—I think we should get a portion of the road metalled every year, but at the same time the Government should not relax their efforts in bringing the railway out to the East Road as soon as possible. At present it is at Douglas Road, and the next stage brings it within seventeen miles of this township.

394. *Mr. McCutchan.*] Is it not the case that all these noxious weeds came in in seed?—I do not think so. They might come in with seed, but I am strongly of opinion that they came in by horse and cattle from outside, and that is borne out by the fact that some of this land has been grassed for eight or nine years, and it is only lately that these weeds have made their appearance. I refer particularly to the buttercup with a little flower, which is a most dangerous and destructive weed.

395. Is it not the case that the oxeye daisy came in here with the seed originally?—I think so.

396. I think you made an unwarrantable charge against the outside freeholder?—Well, a neighbour last year would not allow me to graze a horse on his place because in his opinion seeds would be carried from the outside land and fill his place with noxious weeds.

397. Is it not the case that the Stratford County Council has rigorously enforced the Act all over the County, and the noxious weeds are being brought under subjection?—There has been a lot of ragwort round Toko.

398. You are a great advocate of the lease in perpetuity provided there is security of tenure?—Yes.

399. You said that it was better for a man to buy cows with his money than to pay off the capital value of his land. Do you think your savings could be more wisely expended in that way than in gradually paying off the capital of the land and having a free property?—If the lease in perpetuity is a secured tenure I consider that the farmer could always utilise his money by bringing his land up to a more productive point than by paying money for the freehold, because he then sinks his money for all time.

400. You complain that your area is inadequate for a living. If a man does make some savings would that money be wisely expended in taking up a further area under the lease in perpetuity?—Yes, and I advocate that in preference to applying the money to pay for the freehold.

401. *Mr. Paul.*] You consider a good road is of more consequence to the settler than the tenure?—I do.

402. Do you know of anything in the conditions of the lease in perpetuity which interferes with the tenant in farming his land?—Not in the case of tenants occupying Crown lands.

403. If the Land Board was elected do you think it would be right to prevent a section of the people from having a vote on the constitution of that Board?—I think the Crown lands are a colonial estate, but if Land Boards were elected they should be elected on the parliamentary franchise.

404. Do you not think it would be just as logical to ask that the Warden of a mining district should be elected as to ask that a Land Board should be elected?—Quite so.

405. Or that the Magistrate should be elected?—Yes.

406. Is there anybody in this district working to set the country against the towns?—No; that is simply a bogie of the money-lenders, who tell the people that the leasehold is going to be violated, but I tell them if that is done the freeholder will also have to bear his share in the shape of increased land-tax.

407. Do you think there is a party in sufficient power to wish to violate the contracts entered into between the State and its citizens?—I do not think it would be judicious for any party to do it, and even the labour unions must see it is to their interest that the producer should be helped in every possible way.

408. Is not the Land Board a purely administrative body, and there to administer the laws as they find them?—Yes.

409. *Mr. McCutchan.*] Is it strictly accurate that the Land Boards are a purely administrative body to administer the statute-law as they find it?—I thought they were simply a nominated body, nominated to carry out the land laws as they are laid down in the statute-book.

410. Is it not the case that the Land Boards have large discretionary power?—They cannot go against the statute-book.

411. Yes, there is the residence condition?—Only under extraordinary circumstances, such as sickness.

412. Is it strictly the case that they are purely an administrative body?—I do not know that they have any power further than that of exempting a person from residence if he can show good cause.

413. You are a great advocate of the nominated system on the ground that it is well to have men nominated who are in sympathy with the land laws of the colony?—I did not say that.

414. Would it be wise to nominate men to the Land Board who were not in sympathy with the land laws?—I cannot say that it would be wise, and I do not say that it would be detrimental.

415. In order to get proper representation, would you be in favour of dividing the land districts into ridings or wards, the Government to have the power of nomination in each ward in order that each part might be fairly represented?—I think so, if they were nominated.

PATRICK TOOHEY examined.

416. *The Chairman.*] What are you?—I am a settler holding 340 acres under the lease in perpetuity, about fourteen miles from here. I have held it about five years and am paying £7 1s. 4d. yearly. It was bush but some of it is now cleared. I am satisfied with my tenure. There is no road within two miles and a half of the land. There was a track but it has slipped away, and I cannot live there just now. I got twelve months' exemption as I could not live without a road. I would not promise to return as soon as I got in a better position, but I will endeavour to go back. I want the road access.

417. During the whole five years has the making of the road been stagnant?—Some progress has been made, but not much—the Government are doing it. I got a subsidy under the pound-for-pound principle. My land is loaded for road-making, but I have no reason to believe that the money has been expended.

418. What do you want to bring before us?—I consider that the regulations are somewhat stringent and might be relaxed to enable a man to go off his section in order to get work to make a little money to go on with. I believe in the lease in perpetuity because it places the man in some relation to the land. I do not say it is perfect, but in time I believe our politicians will be able to put it right. I am opposed to the freehold tenure on the ground that the individual who wants the freehold is asking the community to do what he would not do himself. The good land has nearly all gone under the freehold, and that entails a certain amount of hardship on the Crown tenant, because what is left and especially the land is of little value to them. The freeholders are also very powerful: they have the making of the laws in their own hands, and are placing new burdens on the unfortunate Crown tenants and especially on the workers by means of taxation. The rents are somewhat heavy, the land is loaded for roads, and the Crown tenants have not much chance of getting on. I think the rents should be reduced and the Advances to Settlers Act should be amended so as to enable the Crown tenants to obtain more money on the result of their labour. I am against private borrowing as people who go to private lenders are only able to obtain loans at an extortionate rate of interest. The monetary powers are all strong in the colony, and combine to hamper those people who are endeavouring to make homes for themselves, and there is also a set who are endeavouring to set the town against the country. I reckon the people who live in the towns have a perfect right to a say in the disposal of the public estate. With regard to the co-operative system I believe that system is more conducive to the well-being of the country than the contract system, which is competitive purely and simply. We have had a great deal of experience with contract-work here and elsewhere, and I see nothing to urge in favour of the system. It tends to make the working-classes the slaves to toil in which they have no interest. The great difficulty here is regarding roads. I would like to see the roads prosecuted more vigorously, and at the same time the railway should be pushed further in to this back country as quickly as possible.

419. *Mr. Anstey.*] Have you any idea what it would cost to put that road up to your place in order?—About £300 or £400.

420. That would be much more than the road is entitled to on account of your loading and "thirds"?—Yes.

421. Has the Government made any promise to do it?—No.

422. Is there any one else interested in the road?—There are a couple more settlers.

423. Still, their loading and "thirds" would not be sufficient?—No.

424. You state that the residence conditions should not be so strictly enforced; yours has been removed?—Yes.

425. Do you know whether there has been any instance where the Board has refused exemption?—No.

426. In that case then, apparently, these residence conditions are acting fairly well?—I believe if a man makes his case good, the Board will try to relieve him as much as possible.

427. Do you think there ought to be residence conditions for freeholders as well as leaseholders?—They should both be the same.

428. Why do you oppose the freehold?—On the ground that it is inimical to the best interests of the country. If we all paid rent to the Government the people as a whole would be more prosperous, as under the present system the land goes into the hands of a body of people which is always growing larger, and those people will be a great power over the workers. I have seen it here, in Australia, and in Ireland.

429. What do you propose to do with the existing freeholders?—I propose to give them compensation. I would buy them all out.

430. You think it would be wise for the State to buy out all the freehold?—Yes, gradually. At the same time, I am opposed to freeholders being allowed to mortgage to private individuals also. They should only be allowed to mortgage to the State, and in the event of a freeholder losing his land under the mortgage, that land should revert back to the State—the State to take the mortgage up.

431. *Mr. McCutchan.*] You made a statement that the loading had not been expended?—I think it has not been.

432. You mean it has not been expended on your road, but might not it have been expended on other roads in the block?—Yes, it might be.

433. If the loading originally was not sufficient for the road, do you think that the Department would be justified in spending it as they thought fit to the best advantage of the block generally?—Yes.

434. You are an advocate of the lease-in-perpetuity tenure?—Yes.

435. Do you consider there should be a revaluation clause inserted in leases to be issued in the future?—I am a believer in revaluation, because I know that the land derives the benefit through the labour of the worker. I would not be inclined to bring about a periodical revaluation at once, but in time. It would be only just, because the increment at present is being received by the wrong party. The man with a 999-years lease gets all the unearned increment.

436. You think he ought not to have it?—Oh, it is all right for him, and I consider the Trades and Labour Council has a perfect right to advocate revaluation if the majority of the people are in favour of it.

437. Would you be in favour of a revaluation clause being put in your own lease?—I would agree to it if the majority decided it should be.

438. I am asking your own opinion?—Yes, I am a believer in revaluation.

439. Do you think it should be made retrospective?—Yes.

440. What area have you grassed on your holding?—About 35 or 40 acres.

441. You took it up five years ago?—Yes.

442. What area are you supposed to put in grass annually?—I am supposed to do 10 per cent. of improvements.

443. You have grassed 35 acres in five years, whereas you ought to have had 150 acres in grass?—If I had had roads I might have had more in grass.

444. You advocate revaluation, you have had the land five years, and you have had twelve months' exemption, and now you have a further twelve months. Are you running with the hare or hunting with the hounds?—No, I am giving my own opinion, because I have always held strong opinions on the matter.

445. Have you made your land reproductive as a settler?—I did my best according to the facilities I had.

446. Have you complied with the law?—Yes, according to the regulations.

447. What is the law with regard to your improvement conditions?—I should make 10 per cent. improvements.

448. Have you done so?—I have.

449. You put how much in grass?—40 acres.

450. Is that 10 per cent.?—I got two years' exemption at once.

451. Do you think your opinion on this land question is valuable in view of what you have done with your own holding?—I think it is.

452. *Mr. Paul.*] Do you think a man should be found fault with because through lack of means he has not been able to do as much as he otherwise might have done?—I think it is a great injustice when he has done his best.

453. Are there not good settlers everywhere who would be perhaps a little behind if the strict letter of the law were adhered to, and who, if they receive a little consideration now, will eventually make good settlers?—Most undoubtedly.

454. Do you think the Land Board is to be blamed because it relaxes the conditions somewhat in that direction?—No.

455. How do the poor men get on under the freehold tenure?—They do not make a success of it. They generally sell to some one else, and get a bit of money out of it.

456. Does a poor man get on the land under the freehold system?—No, he is a slave to toil in which he has no interest.

457. You express yourself in favour of revaluation of existing leases. Do you not think that would be a grave injustice to a man who objected to the revaluation of his lease?—If a man buys a freehold he is not more secure on that than he is on the leasehold, because if the State likes to tax him he might have to pay very heavily, but if the majority decide in favour of revaluation, the individual must adapt himself to it.

458. Do you think the majority of the leaseholders would be agreeable to have their leases revalued?—I do not.

459. Do you not think that if revaluation be the solution of the argument, the State should compensate the leaseholder if they want to vary the terms of the contract?—Yes.

460. Do you not think that is a sound policy?—Very.

461. Is there any factor in this district working to set the country against the town?—There are certain men who have that object in view, and they get up this cry of revaluation and Fair Rent Bills simply to scare unthinking people and those who hold Crown lands.

462. *Mr. Anstey.*] Have you any stock on your farm yet?—No.

463. *Mr. McCutchan.*] Was a Fair Rent Bill introduced into Parliament?—I believe it was.

464. If so, how can you say that people have got up a fictitious cry because of the danger of a Fair Rent Bill?—That Bill did not pass Parliament.

465. You attribute this uneasiness to local men?—I do, sir.

466. Do you think the settlers were in favour of a Fair Rent Bill?—I do not know that. They would not be in favour of any thing that would touch their pockets.

467. Can you say if the feeling in the district is in favour of retrospective revaluation?—I presume if the majority of the people are in favour of it, I must comply with the regulation.

468. But personally you advocate retrospective revaluation?—I do not know I would, but it would be reasonable that this land should be revalued in time.

469. I put the question to you, if you personally are in favour of retrospective revaluation?—I am.

MICHAEL GEEVER examined.

470. *The Chairman.*] What are you?—I am a farmer, holding 1,350 acres under occupation with right of purchase. I have held it since last March. I bought it from the Crown. I pay £33 a year. It is five miles from here, and all bush. I have another section in the Wellington Land District, at Hunterville, lease in perpetuity, for which I pay £17 per annum rent. I prefer the occupation with right of purchase. I have my place at Hunterville, and have been there for about ten or eleven years. I have a road within a mile of the occupation-with-right-of-purchase section here. It is not very good; in fact, you have to climb up a precipice by a vine to get on the land. I think there will be a road very soon.

471. Is there any thing you wish to bring before us?—Yes; only the lease in perpetuity. I do not believe in it at all. It is no use to a poor man, as he cannot go into the bush without capital.

472. You have had some land ten years. Have you got it all in grass?—Yes, with the assistance of capital.

473. But supposing you have the freehold, you would require much more capital to meet your expenditure?—But see how easily you can get it on the freehold. You have to pay double interest on the leasehold, and then you cannot get any amount either.

474. What do you think of the security of the tenure of the lease in perpetuity as compared with the freehold?—999 years is too long. It will never last; but if you have a freehold it is there, and there is no more trouble with it. I am not satisfied with the lease in perpetuity, but I am with the occupation with right of purchase.

475. *Mr. Anstey.*] How much loading is there on this new farm of yours?—I could not say. Something about 3s. or 4s., but they never told me. I did not ask.

476. Have you any idea what would be sufficient to give you access?—I think with the "thirds" it might be sufficient to give me access. I think the loading is sufficient.

477. With regard to the lease in perpetuity, you say it is fully improved. Does it grow good grass?—Yes.

478. Would it grow any better if it were freehold?—I do not suppose so.

479. Do not the stock do just as well on the leasehold as on the freehold?—Yes.

480. Then, as far as the productiveness is concerned, there is absolutely no difference?—None; it is only with regard to the improvements.

481. But you have them for 999 years, and most of them will be rotten at the end of that time?—Yes. The only drawback is in regard to improving your place. The land is in standing bush, and if you have not capital what are you to do. There is only a difference of $\frac{1}{2}$ per cent. between the two, and it is worth more than that to have your freehold, to do what you like with regard to improvements.

482. *Mr. McCutchan.*] You have excellent land in this district?—Partly.

483. You think it is satisfactory in quality?—Yes. It is reasonably good grass-growing country, and pretty good sheep country.

484. If you had had no option but only the lease in perpetuity, you would not have taken up this block?—No.

485. Have you found any fellow-settlers come into the district lately?—No.

486. From your practical experience, do you think they would be prepared to come to this class of country and take it up under the lease in perpetuity only in future?—No.

487. Do you think the lease in perpetuity is decreasing in popularity with the settlers?—Yes.

488. And there is the risk of the occupation with right of purchase increasing in favour?—Yes.

489. If the tenure were made absolutely secure, do you think the 1 per cent. difference in the rental would induce people to go on the land under that system?—I do not think it would make much difference, but the trouble is to find the capital to improve your place.

491. *Mr. Paul.*] Can you assure me that a poor man solely without capital can do better on an occupation with right of purchase than on a leasehold?—He has more encouragement, and he can get more money on it.

492. Will a money-lender grant a man with an occupation with right of purchase a loan unless he has some improvements?—In some instances they will advance the money to make improvements.

493. Speaking generally, the freehold tenure pays the settler handsomely?—Yes; he can improve his property and get a return from it.

494. It is generally for his financial benefit that he takes up the freehold?—Certainly.

495. Is there any sentiment in it?—Yes; every man likes the freehold.

496. Luckily it pays him to gratify that sentiment?—Yes.

NORMAN ROBERT CLELAND examined.

497. *The Chairman.*] What are you?—I am a settler, and between my brothers and myself we hold 3,300 acres under lease in perpetuity, perpetual lease, and occupation with right of purchase. Under

lease in perpetuity, 150 acres; perpetual lease, or a grazing-run, 2,900 acres; and 340 acres under occupation with right of purchase. We have held the land for five years.

498. Which tenure do you prefer?—The occupation with right of purchase.

499. Where is your land?—About nine miles from Whangamomona.

500. Is your homestead fairly accessible?—It is about a mile from the main road. It is grazing country, and there is about 2,500 acres clear.

501. Has it taken the grass well?—Most of it has taken it very well.

502. Is there any particular point you would like to bring before the Commission?—There is the question of roads. It is five years since we took up that land, and for two years we paid rent without being able to get on the land, and we have not yet got a dray-road. There was £150 voted on the estimates this year for the road, but only £80 has been expended.

503. *Mr. Anstey.*] Has all the original loading on the land been spent?—No.

504. Has the road been made out of local rates?—I have just been informed that it was made out of the loading on neighbouring land.

505. Is your perpetual lease subject to revaluation?—Yes, at the end of twenty-one years, and we are allowed up to £4 for improvements.

506. Is that a fairly satisfactory lease?—I do not think so. By the time we get the place into good working-order at the end of twenty-one years we will have spent practically the £4.

507. Do you think the land will be valued at more than £4 then?—I do not think so.

508. How do you like the lease-in-perpetuity tenure?—It is very difficult to borrow anything on it.

509. If you could finance on it as well as on any other tenure, would it be as satisfactory as the other tenure?—I think so.

510. *Mr. McCutchan.*] Does the grazing-run lease cease at the end of the renewed term of twenty-one years?—Yes.

511. Have you suffered much from landslips?—Yes, a great deal.

512. What proportion of your grazing-land has been carried away by slips?—200 acres.

513. Have you suffered from tutu poisoning?—Yes; about twenty beasts.

WILLIAM HALLETT further examined.

514. *The Chairman.*] I understand that you wish to make a further statement?—Yes. I think that a great mistake has been made in connection with the surveying of these small sections. They run in straight lines, and when slips occur the fences are continually getting broken up. Nearly all the land if it had been surveyed in a proper way could have been surveyed with ridge boundaries, and that would have saved a lot of extra labour and expense. This is a matter of great importance to the settlers of this district. I understand that nearly all the land that is now being surveyed is being surveyed with ridge boundaries.

STRATHMORE, THURSDAY, 1ST JUNE, 1905.

CHARLES RALPH FINNERTY examined.

1. *The Chairman.*] What are you?—I am a settler, and hold 250 acres under occupation with right of purchase. My land is two miles and a half from Strathmore. I have only had it two years. My rent is £21 per annum.

2. Are you satisfied with your land and with your tenure?—I am satisfied with my tenure. I may say that I am not satisfied with the Land Board as at present constituted. I think two members of the Land Board should represent settlers. They should be elected by the Crown tenants, the other two members to be nominated as at present. As regards land tenure, I favour the occupation with right of purchase. I believe it is the best tenure. I think that cash purchasers should be entirely abolished, and I am of opinion that people should be compelled to hold their land for five or six years before they get the right to purchase the land. I think that the Government should let the settler have the land at the cheapest possible rate. I think that after the actual cost to the Government has been made up, the Government should not stand to make anything out of the land, but they should let the settlers have it as cheaply as possible. Bush land especially should be given at the lowest possible price. It is utterly impossible for settlers to make the land pay for the first seven years, and therefore I think they should have the land free of rates and rent. There is no way in which settlers can make a living out of the land within that time. If they buy stock in this rough country they must stand to lose from 10 to 15 per cent. per annum, and, in addition to that, the settlers have to pay about 10 per cent. The settler must stock his land in order to keep down the second growth. As to residence restrictions, I think they are necessary, and that the people should be made to live on the land. I would, however, give the Land Board some discretion in regard to the residence conditions. But as to other restrictions, I do not think they are necessary, and I think that settlers should have full opportunity of borrowing money as they think best. I feel sure that most settlers are fairly careful in respect to borrowing, and that they are not likely to borrow too much. The advances-to-settlers system as at present worked is not, in my opinion, altogether satisfactory, because the settlers have to wait about three months in order to get a loan, and by that time probably a great deal of the necessity for the money may have passed. They may have wanted to borrow in order to get stock, and by the time the advance has been made by the Department the price of cattle may have gone up. The fact is that in such cases the settler should get the money almost at once. I have known instances of 10 per cent. having been paid by settlers in order to get money at once. As I have said, it is most necessary that they should be able in many cases to get money without delay. In my opinion there is a great

deal of unnecessary delay in connection with the advances to settlers. In respect to the classification of land, I think there should be six classes of land. They call this land first-class land. As a matter of fact it is barely second-class land. On 100 acres of first-class land a man can make a good living. The land in this district I do not call first-class land by any means.

3. What area of land would you require here in order that a settler might make a fair living?—In order to make a decent living I think a settler would require between 200 and 400 acres. The rougher land is very poor, and I think you would require to have 600 or 700 acres of it to make a living. I am satisfied with the present ballot system. I think that is the only system under which the land can be fairly let to the people. I think, however, the Board should examine persons who wish to become tenants. I do not see how the ballot system can be improved upon. I think that the system of loading for roads is most unfair. I may point out that I am loaded £1 an acre for roading, and I have not got a road yet. I have got a 12 ft. track. All these difficulties total up and make the position of the settler very hard to bear. It is suggested that freeholders would be better for the country, and that they would make more out of the land. I am of that opinion, that the freehold would be better for the country, because as a matter of fact everything comes from the land. I am against any leasehold at all. I do not think it pays either the people or the country. There is a feeling of insecurity in respect to the leasehold. As to large estates, I am satisfied as to the way they are worked at present. They give persons with large families a chance of educating their children. In respect to these large estates I think the freehold should be given. I approve of the purchase of large estates by the Government, for the reason that they give the poor man a chance to take up land and work it, and at the same time to educate their families. I think the Government is doing well in purchasing these estates. I would be in favour of forcing these people to cut up their properties within ten years. Otherwise the Government should have the chance of buying these estates at their present value at any time. As to the question of separate occupation, I think that should be left partly to the discretion of the Land Board. I am aware that there is a certain amount of dummyism going on in that respect, and, as I have said, I am in favour of the Land Boards having discretion in respect to making people live on the land.

4. Do you represent any association in coming before the Commission?—I am a settler, and do not belong to the Farmers' Union. I am simply stating my private views. I would like now to draw the attention of the Commission to the state of the roads in this district. I have been here for ten years, and it is very hard for any one who has not lived here to realise the hardships of the back-blocks settlers, or to have any idea of the state of the roads or the want of roading facilities. I know of many settlers who have not even got pack-tracks to their homesteads, and yet they have to pay rates and taxes upon the land.

5. Have you had any experience in reference to the Advances to Settlers Department?—Yes; but there is a general feeling that there is unnecessary delay in granting applications for advances.

6. You say that the loading is very unfair?—Yes; I am paying £1 an acre for loading.

7. Was the money expended on the road you are paying for?—I could not say.

8. You think that all leaseholders should have the right of purchase?—Yes.

9. You approve of the purchase of large estates?—Yes.

10. Would you give the right of purchase to settlers taking up such improved land?—Yes.

11. Would you exact any corresponding payment for it. For instance, if you gave lease-in-perpetuity holders the right to convert their holdings do you think they should pay something for that?—I think I would make a small demand on them.

12. *Mr. McCutchan.*] You recommend that two members of the Land Board should be elected and two should be nominated by the Government?—Yes.

13. As to the members whom the Government nominate, who do you consider they should represent?—I think they should represent the persons in towns. I think they should represent those people who consider that the land is the heritage of the people, and that the other members of the Board should represent the farmer. I am a great believer in fair play in all matters.

14. Why do you advocate the election of two members of the Board by one section of the community?—I think the settlers should have the right to nominate two members. The country settlers are more directly interested in the land.

15. You favour the occupation-with-right-of-purchase tenure?—Yes.

16. Would you eliminate the 999-years lease from our land system?—Yes.

17. Has not that form of lease been the means of settling a large number of poor men on the land?—I think the occupation with right of purchase would have settled the people on the land just as well.

18. If that was so why did so many people take up land under the lease in perpetuity?—Because I think they misunderstood the tenure at the time. They thought they were getting the land 1 per cent. cheaper, and they did not consider the insecurity of the tenure. In my opinion it is very insecure.

19. In what respect is it insecure?—Because the Government by passing a law can revalue the property at any time, and there are lots of ways in which they can enforce restrictions to the disadvantage of the settlers.

20. Do you think the Government can render nugatory a system of land settlement which they have established in this way?—Yes; because a different lot of members of Parliament may be elected. I have seen various schemes proposed by members of unions in the towns. For instance, I noticed that one witness who gave evidence before the Commission at Christchurch said he was in favour of revaluing all land.

21. Do you think that that section of the community is likely to gain more political power?—Yes. I feel that at any time such an injustice as revaluation may be done.

22. Do you not think that the freehold may be interfered with in the same way?—I do not think

so, because it would mean a greater revolution to interfere with the freehold than to interfere with the leasehold.

23. You said that you think cash sales ought to be abolished?—Yes; I think that those who take up the land should be made to prove that they intend to improve the land, although I think if they lived on the land and work it they are entitled to the increased value.

24. If land is sold for cash, where it is made subject to residence and improvement condition similar to those under which leasehold settlers are working, would you then be in favour of not eliminating cash sales?—No. I think the cash system is a bad one, because it tends to bring about dummyism, but if those persons taking up the land under that system are compelled to reside on the land for a certain number of years I would be in favour of it.

25. You advocate all settlers who take up unimproved land being exempted from rates and rent for seven years?—Yes.

26. Would you capitalise the rent so that the State would be recouped that loss?—Yes, I would, provided the land had not been charged more than the actual cost to the Government in surveying, and also in cases where they bought the land from the Natives. I think the settlers should get the land at the cost of surveying and other administration expenses. I think that 4s. is a reasonable charge for surveying.

27. What is your estimate of the cost of that land to the Government?—I can only guess at it. In my opinion the total cost of the land to the Government would be, say, 10s.

28. You say that you would put no restrictions on the settler as to borrowing?—That is so.

29. Do you not think it is a wise precaution on the part of the Minister of Lands to limit the rate of interest on these leaseholds to 8 per cent., seeing that you can get money from the Department at 4½ per cent. if you pay the interest promptly?—I believe in leaving this matter to the settlers themselves.

30. It has been shown that in the Whangamomona district several settlers took up loans at high rates of interest, and the result has been disaster to them?—There are some persons who do not make a success of life, and such persons are not likely ever to make a living out of the land. It is through want of ability no doubt, but it is probable the same result would occur whatever the rate of interest might be. I do not think that the State should interfere with the rate of interest at all.

31. You complain of the classification of the land. Is it not the case that all over the colony first, second, and third class land are purely relative terms?—Yes; I think the land should be classed differently. I think there should be about six classes.

32. You think there should be no separate occupation because dummyism may creep in?—I think it should be entirely at the discretion of the Land Board whether they will enforce the residence on the land.

33. Were you in occupation of your land before the loading was spent? Were you on the ground before the Government commenced to spend money on the road?—I cannot say.

34. Do you think that a method of paying interest and principal should be adopted, as is done under the Loans to Local Bodies Act, in which the amount is wiped out in twenty-six years?—Yes; I think it would be a better policy on the part of the Government.

35. Do you think the interest on the loading should cease after twenty-six years?—Yes.

36. *Mr. Paul.*] Regarding the advances to settlers would you advocate a general reorganization of the system?—Not exactly. I do not think the valuers get around the country quick enough. They do not like the mud and rain. I think myself it requires more energy and experience in land matters on the part of valuers, but I would not altogether advocate a reorganization of the Advances to Settlers Department. I fancy it could be worked more expeditiously than is done at present.

37. Do you approve of the system?—Yes.

38. But you do not approve of protecting the settlers from outside money-lenders, seeing that the Government are not able in all cases to lend money themselves?—I would leave them the choice.

39. Are you acquainted with the lands settled under the land-for-settlements policy in the south?—No, only from hearsay.

40. You advocate giving them the option of the freehold from hearsay?—Yes, from my reading.

41. You spoke of the people in the towns harassing the country settler: can you tell me how they would gain by it?—They expect to make the position of the town person better by practically seizing what they can of the unearned increment, which is practically the only thing left on the farm to the farmer. They call it the “unearned increment,” but some of the increased value is produced by the farmers themselves.

42. Could the towns seriously injure the country without injuring themselves. They are interdependent, and if the towns brought in legislation which would seriously injure the country would it not react on the towns?—Yes; it would in course of time, but their idea seems to be to get all they can. They seem to lose sight of the fact that the farmers support the towns.

43. I suppose you give them credit for trying to see things in a fair light?—I give them credit for trying to get as much out of the settler and the land as they can.

44. *Mr. Anstey.*] You are in favour of doing away with loading: would you do so in respect of loading newly opened blocks?—The settlers now in many cases have to make their own roads. I think the country does so well out of this land that it is only fair the country should make these roads. I think that the generations to come will get the benefit of these roads; and, therefore, I think it would be perfectly fair to charge the State for the formation of these roads.

45. You say there should be no rent for the first seven years and no loading: consequently the State would have to cut these roads into newly opened districts?—Yes.

46. Therefore you are advocating that other portions of the colony should open up new roads in this part of the colony, which is practically asking the Canterbury farmers to contribute to making the roads in this part of the country?—Yes.

47. You think the land you speak of is not able to make the roads for itself?—Yes, only the poorest land is left.

48. Supposing this land is not worth making the roads to: do you not think it is better to leave it remain idle rather than incur this expense? You think it is worth making the roads, however, if you can get somebody else to do so?—I think it is fair to tax the whole country, because in course of time the increased exports will make up the cost.

49. You object to the insecurity of the leaseholds?—Yes; the settlers are afraid to make certain improvements because they fear that some alteration will be made in the tenure in the future.

50. You said you were in favour of certain restrictions being placed on freeholders as to residence, &c.?—Yes; I may say that I would myself never take up land under perpetual lease, because I am quite convinced it is not a secured tenure.

51. Where does the insecurity of the tenure come in?—It would be a greater revolution to take freehold land away from people and charge them increased values on it than it would be to revalue leasehold land.

52. You think there would be more difficulty in interfering with the freehold than with the leasehold?—Yes.

53. I suppose you are aware that there is a graduated land-tax?—Yes.

54. Do you think there would be any particular trouble in doubling that tax?—I think it could not be done so easily.

55. Could not a resolution of the House do it?—Yes; but it is quite evident the people in the country think the leasehold tenure is insecure, because you cannot borrow money to the same extent on leasehold that you can on freehold land.

MICHAEL O'NEILL examined.

56. *The Chairman.*] What are you?—I am a farmer and hold about 650 acres under various tenures—occupation with right of purchase, deferred payment, and perpetual lease. I have held the land for over twelve years and some of it for four years. It was originally bush land but is all cleared now. I engage in dairying and mixed farming.

57. Which tenure do you prefer?—I prefer the occupation with right of purchase. I am virtually in favour of the freehold, but for a poor man I think the occupation with right of purchase is a very good system to start with.

58. What is your opinion in regard to the constitution of Land Boards?—I am satisfied with the present constitution of the Land Board. I think the Land Board is necessary where there are such various systems of tenure and condition as exist in these back blocks, and in my opinion it is necessary to give the Land Boards discretionary power to deal with the various questions that come up before them. As to the residential condition, I think when a man takes up a piece of land after a certain time it is necessary that he should reside on the land. It undoubtedly tends against the progress of a district if the owners are not compelled to reside on the land after a certain time. As to the working of the ballot, to my mind the present system is all that can be desired. When two or three people apply for the same section I think the fairest method is to allow them to ballot for it. Under the auction system the rich man has an advantage over the poor man. I have had considerable experience in regard to loading for roads. It is to my mind a most one-sided system. I may instance the case of the Mangaire district where the settlers undoubtedly suffer under a hardship. In one case, for instance, a section abuts on the main road and the land is loaded £1 an acre, and there is another section probably 5 chains further on which is only loaded 9s. an acre. The man who is only loaded with the 9s. has as much use of the road as the man who has the land that is loaded £1 an acre. As to the working of the advanced-settlers system, it is all that could be desired. It is about the best ever introduced into any country. In former years I myself, as well as others, had to pay up to 8 per cent. for money, and now a settler can get his money at 4½ to 5 per cent.

59. Did you get your money promptly from the Advances to Settlers Department?—Yes, reasonably promptly; of course the Department has to make some inquiries. I got the money as quickly as I wanted it, and had no trouble in getting it. In reference to the aggregation of large estates I think it is good for the country to break up these very large estates. I do not believe in landlordism.

60. Is there any aggregation of estates going on in this district?—No, I do not think so. I would give the people who take up land here the option of making it freehold later on. I would allow them to take it up under any conditions they like best almost, and on making certain improvements I would allow them to make the land freehold, and I think that would be a good thing for the country and would help settlement generally.

61. *Mr McCutchan.*] You think the ballot as at present is nearly perfect?—I do not know anything better at present.

62. Is it not the case that under the present system many desirable people do not get sections?—Yes.

63. Is it not the case that many desirable settlers have to put in for many ballots before they can get a section?—Yes.

64. Would you advocate a reform in the direction of giving the Commissioner of Crown Lands some discretion in this matter?—Yes.

65. Surely the road you have referred to will be necessary to you?—Yes, but what benefit am I deriving from that £1 an acre more than is derived by the man who is three chains away and who is only loaded 9s. an acre.

66. Surely it is the case all over the colony that a main road should have an advantage over by-roads?—Yes, but not to the extent of £1 an acre.

67. At 5 per cent. a man is supposed to pay the whole amount of principal and interest in twenty-six years. Do you think the interest charged should then cease?—Yes.

68. *Mr. Paul.*] Have you had any experience of land settled under the land-for-settlements policy in the south?—No.

69. How long have you had your deferred-payment section?—About twelve years.

70. How long have you had your perpetual lease?—About four years.

CHARLES HENRY WEST examined.

71. *The Chairman.*] What are you?—I am a settler and farm 311 acres under deferred payment. My land is at Huiakama, about a mile and a quarter from Strathmore. I have held the land about eleven years and a half.

72. Are you satisfied with your tenure?—Yes.

73. Was it bush land?—Yes, and it is all cleared now. I engage in dairying.

74. Is there any particular point you wish to bring before the Commission?—Yes, I am a strong believer in the freehold. I have no objection to leasing. I would like to see both forms of tenure retained. I consider the deferred-payment system one of the best systems.

75. Have you had any dealings with the Land Board?—Yes, and they have been very satisfactory. I have no objection to the present constitution of the Land Board.

76. What is your opinion with respect to the ballot?—I consider that the present system is quite satisfactory.

77. How are you off for roads?—The road went originally round my section, but they have cut me off by means of a by-road. The want of metal is a great cause of trouble in this district.

78. Is this district progressing fairly well?—Yes, it is getting on fairly well, but it would get on far better if roads were provided.

79. *Mr. McCutchan.*] In reference to the deferred-payment system has it not this disadvantage, that the capital value of the land is put up 25 per cent.?—Yes, we are paying more; but it is a great advantage to know that you can make the land your own at a certain time and that if you make permanent improvements the land will not be revalued.

80. You think that compensates for the extra price put on the land?—I think so.

81. Is there not another disadvantage in the deferred-payment system, that the payments are heavy for the first few years?—They are out a bit, but if a man has got a deferred-payment section and wants to make it a home, he does not mind the extra payment which is not very heavy. Of course he has to take up land according to his means, and he will do better on a section within his means than on a large section.

82. Would you advocate, if the system was reintroduced, an extension of the period within which the payments should be made, say, from fourteen to twenty or twenty-five years?—It would be easier on them if the term was longer.

83. Do you think the deferred-payment tenure better than the occupation with right of purchase?—Yes.

84. In what respect does the one have an advantage over the other?—In the deferred payment you are paying off from the beginning. It is like a savings-bank to the settler.

85. *Mr. Paul.*] Has the leasehold not an advantage inasmuch as it gives a tenant an opportunity to use his capital in developing his farm?—As a rule bush settlers do not have much capital to start with. When we started we had not much capital, and most of us had to work away from home to make a living.

86. Has not the ordinary settler enough to do with the little money he has when starting in developing his farm?—I think the little extra he has to pay gives him a secure tenure. No doubt he has enough to do with his money, but on a small holding he can manage all right.

87. Can a man take up this bush land and clear it and develop it and buy the freehold in twelve years?—If he has not too much land.

88. *Mr. Anstey.*] Have you any experience of the Advances to Settlers Office?—Yes.

89. What was the result?—Satisfactory.

90. Could you compare borrowing privately with borrowing to the Advances to Settlers Office?—I have never borrowed privately, but I know the Advances to Settlers Office. It has kept money down.

91. Can you tell us what is the difference in the cost between getting a loan from a private lender and from the Government?—I could not tell you.

92. Are you in favour of giving the freehold to lease-in-perpetuity settlers who are on estates which have been purchased by the Government?—Yes.

93. On what terms should you suggest they should get the freehold?—I think they should pay up the 1 per cent.

94. Those lease-in-perpetuity settlers are paying 5 per cent. now?—If they are paying 5 per cent. they should get the freehold at the original value.

JOHN DIGGINGS examined.

95. *The Chairman.*] What are you?—I am a settler farming 690 acres which I hold under three different leases—occupation with right of purchase, lease in perpetuity, and education lease. I prefer the occupation with right of purchase, which I reckon is the best for the individual and for the State. The land is about five miles from here. The land is roaded, but practically by ourselves raising loans. We can get out and in. The land was originally taken up by an association who clubbed together and paid the surveying expenses themselves, and in some cases they had to pay two years' rent in advance.

96. What was the first tenure you started with?—Before I came here in I started with the right of purchase, and I bought lease in perpetuity second hand. The original settlers of the association had no option but the lease in perpetuity, and it is a curious thing that several sections which were forfeited by the original lessees, who were people with town billets and did not care to go on with the conditions, were put up again subsequently with the optional clause, whereas the original settlers have had no option at all.

97. When did you get the education lease?—Four years ago. It comprises 280 acres

98. Your land would be all bush originally?—Yes. But I have 500 acres cleared now.

99. Do you dairy?—There is a man milking on one of my places now—the lease-in-perpetuity section, which I have sublet with the permission of the Land Board.

100. Is there any particular point you would like to bring before the Commission?—I think that the leaseholder should have the right of purchase. I reckon it is better for the individual and for the State. If settlers want money they can get it cheaper and with less trouble when they have the right of the freehold. We cannot do without money in the back blocks—at all events for several years.

101. Some people who take up land under the lease in perpetuity pay less than tenants under the occupation with right of purchase. I suppose before you would allow them the freehold they would have to pay up the additional 1 per cent.?—Yes, I think that would be quite right.

102. What has been your experience with regard to the Advances to Settlers Department?—I do not altogether approve of it so far as I was concerned, but I may have applied at the wrong time. About twelve months ago I applied for a small advance, but I believe the difficulty at the time was that there was not so much money to advance. The amount they offered to advance to me was as much as to say that I was not to get any. I had to refuse the amount because it was not worth my while taking it. I got the money privately. I offered the whole of my security to the Department for a certain amount and I was only offered a little over one fourth. I met a private individual and mentioned my case to him, and he said, "I will give you four times what the Government offered you for half the security. If you had not the occupation with right of purchase I would not advance at all."

103. How much land have you under occupation with right of purchase?—200 acres.

104. *Mr. McCutchan.*] Do you think the fact of the original holders in this block not having the option of the occupation with right of purchase is a claim for their having their option of the freehold now?—I do.

105. Have you given a purchasing clause in connection with the lease-in-perpetuity section you have sublet?—Yes, of my interest.

106. Which security did you offer to the Advances to Settlers Department?—The whole lot.

107. What was your estimate of the value of the improvements?—I cannot exactly tell the total value, because I did a lot of the work myself; but if I was selling the land I would expect it to be worth close on £3,000, inclusive of goodwill. Exclusive of goodwill, the improvements would be worth, I suppose, £1,500 or £2,000.

108. What advance did you ask from the Government?—£500, and they offered me £150

109. When you got the money elsewhere, had you to pay a higher rate of interest?—I had to pay 7 per cent.

110. Had you to pay a procuracy fee?—No.

111. Were the legal charges much higher?—Yes, considerably. That is one point in favour of the Advances to Settlers Department—the legal charges are considerably less.

112. If you had got the advance from the Department under the instalment principle you would have paid 6 per cent., of which 1 per cent. went for a sinking fund, and if you paid the interest promptly there would have been a reduction of $\frac{1}{2}$ per cent., so that you would have been paying really only $4\frac{1}{2}$ per cent., whereas you are now paying 7 per cent., in addition to having paid high legal charges. Through the Department not having advanced you the money on such security you have suffered a heavy pecuniary loss?—Yes.

113. *Mr. Paul.*] Can you explain why financial institutions are so much more willing to lend money on occupation-with-right-of-purchase as against lease-in-perpetuity security?—Yes. In some cases there are residential clauses to be complied with, and also they do not value the lease in perpetuity as worth anything at all.

114. Is the money lent with the ultimate object of getting a certain farm into their possession?—I do not think so. I think their object is that they do not consider the lease-in-perpetuity security as good as the other.

115. *Mr. Anstey.*] What are the terms of your education lease?—It is a lease for thirty-one years, and I am supposed to get full value for improvements at the end of that term. I have the right of renewal at an arbitration rent.

116. Will the private money-lenders lend on an education lease?—Yes.

117. They prefer that to the lease in perpetuity?—Yes

118. What do you think is the reason for that?—There are not so many restrictions with regard to the education lease. They seem to think that there is not so much trouble in transferring it from one party to another in case they want to seize for their money

119. They consider that a lease which provided for revaluation is better than a lease for 999 years without the revaluation?—I do not know about that; but the education lease has no residence clause connected with it, and I think that is the main point.

120. Do you think there is any political reason in it?—No.

121. *Mr. Paul.*] Are you satisfied with the condition of the education lease?—Yes.

CHARLES STEPNEY GATTON examined.

122. *The Chairman.*] What are you?—I am a settler, and was formerly secretary and organiser of the Palmerston Special Settlement, which took up 30,000 acres in this district. I hold 400 acres myself on Tahora Road. I am under lease-in-perpetuity tenure, and have held the land for about ten

years. My annual rental is about £23. I am not satisfied with the tenure, and approve of the freehold. My principal objection to the lease in perpetuity is the insecurity of the tenure.

123. It is a 999-years contract that the Government has entered into with you. Do you think that is insecure?—Yes. It seems to me to be attacked on all sides. In the first place it is attacked by members in the Houses, it is attacked by the Trades and Labour Council, and, in my opinion, the Government attack it in presenting to Parliament such a Bill as the Fair Rent Bill, that on occasions they have laid before the House.

124. You think the Legislature might break their contract?—I think if Mr. Seddon says it might be so, we may take it it will be so.

125. Mr. Seddon is only one man, and I presume it would only be if the tenants were agreeable?—I do not think the opinion of the tenant would be brought into the question whatever. Three or four years ago, when the Bill was introduced into Parliament, I wrote to Mr. Seddon and asked him if the Fair Rent Bill as introduced would interfere with our leases, and he wrote back to me and said that our lease would be affected by the Fair Rent Bill if passed. I think on that we may naturally feel that if the Fair Rent Bill is again introduced and passed we have not a very secure tenure. Again, with regard to the lease in perpetuity, it is a tenure upon which we cannot finance readily. Money-lenders are shy of lease in perpetuity, and so, also, is the Advances to Settlers Office—an office that was instituted to help the Crown tenants, who by reason of their tenure could not go to the open market in the same way as the freeholders can. The Advances to Settlers Office fight shy of the lease in perpetuity just as much as does the private money-lender.

26. What is your opinion of the Land Boards?—I am quite satisfied with them.

127. Do you think that the pressure of the residence conditions is troublesome to the settlers here?—I think not. I think there could be no true settlement without residence, and after four years I think it is in no way irksome.

128. Are there any other restrictions which you think might be relaxed?—As far as my experience goes, I think when a case is brought before the Land Board in which they have any discretionary power they are as lenient as they possibly can be.

129. Have you any remarks to make about the ballot system?—I think it is the fairest system we can possibly adopt.

130. Have you any remarks to make about loading for roads?—I think it is monstrously unfair that our land should be loaded for all time for road-making, when if the money was obtained by the settlers through the local body under the Government loans to local bodies the debt would be extinguished in a given number of years.

131. You think that the same principle should apply in the case of loading for roads?—Yes.

132. Is there any other point you would like to refer to?—In respect to the advances to settlers, my first experience of them was rather unhappy. I applied for £100, and they offered me £80. I declined that amount, and had no difficulty in getting what I wanted from a private source at an increase of 1 per cent. interest. After declining the Government loan, the next I heard was from the Land and Income-tax Valuation Department, raising the valuation of my section from £175 to £300. I got nothing from the Advances to Settlers Office, but I got my valuation raised all the same. I consider that a slap in the face. I can understand that the reason of the increased valuation is that the valuator in going round has his attention drawn to the fact that it is fairly decent section, and to present as good a face as he can in the settlers' interest to the Advances to Settlers Office, he puts a further good valuation on to such sections. But those sections to which his attention has not been drawn remain under the one valuation for years. A section near to me which was valued by the Government at £160 ten years ago, is still valued at the same amount, and another section which was valued at £440 still remains at that figure. It affects a settler this way: when the value is increased from £1 2s. 6d. an acre to £2 per acre he has to pay not only an extra amount to the ordinary rates, but he has also to pay a proportion according to value of special rating.

33. *Mr. McCutchan.*] Are you resident on portion of the Palmerston Block?—Yes.

134. Had you the option when you took up the land?—No. Under the regulations we have had to take up our land under lease in perpetuity.

135. You consider having no option originally gives you a claim now to the right of purchase?—Undoubtedly.

136. Originally if you had the option would you have taken it up under occupation with right of purchase?—Certainly. We asked for the freehold, and that was declined us, and only the lease in perpetuity was offered.

137. And the new settlers who came in after the block was opened got in on better conditions than those who had been there from the start?—Yes.

138. Are there any minerals in the block?—No.

139. If you got the right of purchase would you be prepared to take it up at revaluation?—Certainly not. I consider we should have it at the original valuation *plus* an additional 1 per cent. I maintain that we have paid for that land over and over again by the enhanced cost of living compared with the towns, by the struggle we have had to keep our heads above water, by the fact that we are debarred many social, religious, and educational advantages that are open to the townspeople, by the fact that we are paying through the consolidated revenue for the advantages which townspeople have—we have been paying for roads and railways which we cannot possibly use—and, notwithstanding the fact of the land being loaded, we have had to borrow the money wholly, or in part, to make our own roads. Considering the disabilities under which we as pioneers of the back blocks lie, we should meet with very favourable treatment, and the least the Government could do, supposing we have the option of freehold, is to give it to us on the same terms as those who came in after us.

140. Would you be in favour of all lands, cash, or otherwise, being made liable to the same residence conditions as the leasehold?—Yes.

141. Do you think that the "thirds" from cash sales should go to the local bodies for road-making?—Yes.

142. And would you favour making that retrospective with regard to the back blocks?—I do not like the idea of retrospective legislation.

143. You think it would be imprudent to ask for it in view of the feeling in the country with regard to retroactive legislation.

144. You are aware that the maximum for the Advances to Settlers Office is 50 per cent. of improvements?—Yes.

145. When you made your application did you have sufficient margin?—I ascertained after my loan was refused that my improvements were valued at £200, and that my interest in it as a leaseholder was £100, so that I had an interest in the section of £300, so that the Department would have been perfectly safe in advancing up to £150.

146. Do you think that the valuer's estimate of your improvements and goodwill was excessive?—I think it was unfair.

147. Do you think it was unfair to put up the valuation for ordinary taxing purposes?—Not to the extent of 75 per cent., while other places are left to remain at the original valuation for a number of years.

148. You consider that the values around you have gone up, and that if there is a revaluation all should be revalued and put up?—Yes.

149. *Mr. Paul.*] Are you in favour of giving the freehold to the tenants under lease in perpetuity on the improved estates that the Government has purchased?—I have not considered that phase of the question. There is nothing of that sort in the district.

150. If the country is injured, do you not think the towns would most surely feel the effect of it?—Yes.

151. Do you know Mr. Seddon's most recent pronouncement on the question of the retrospective action of revaluation?—No.

152. Did you not read the report of the Trades and Labour Council's interview with him?—I saw the resolution of the Trades and Labour Council to the effect that all leases should be revalued on transfer or on the death of the lessee, and I take it that they are a powerful organisation, and might be a big factor in respect to any legislation with regard to this question.

153. You do not know whether that resolution was carried unanimously, or whether there is a majority of the people behind it?—No.

154. You do not agree with that resolution?—Certainly not. A man might hold a lease for two or three years, and on his death, according to that resolution, it must be revalued. There is nothing just about that.

155. Do you think any claim will be successful, no matter whether justice underlies it or not, so long as a majority is in its favour?—Perhaps I have overdrawn it a little, but I say that the weight of a powerful organization like the Trades and Labour Council is bound to tell.

156. You said the Advances to Settlers Office were discriminating as against the leasehold. Do you know of any advance that has been refused as against the freeholder?—No. I do not know of any advance made to a freeholder, but I know that the freeholder has a better chance with the office. It shows plainly that there is an advantage in favour of the freehold, that by law the Advances to Settlers Office can advance up to three-fifths of the valuation of a freehold, and only up to one-half of a man's interest in his leasehold. The security cannot possibly be as good, or they would be allowed to make a higher amount of advance. Although Mr. Seddon said recently that he would put leaseholders on the same footing as freeholders, and that they should be enabled to get advances up to three-fifths of their valuation, there is nothing mandatory about it.

157. You said you did not know of any case where the office had advanced on a freehold, and you also say that the office looked on the freehold as better security?—The law says so.

158. *Mr. McCutchan.*] When you obtained this loan privately, were you charged the valuation fee?—No, for the reason that I produced my valuation from the office.

159. Were you charged procuration-fee?—No.

160. How did the bill of costs compare with those of the Advances to Settlers Office?—I should say that the Department's costs would be less.

161. What rate of interest had you to pay?—6½ per cent.; that was practically 2 per cent. more than the Department would have charged.

162. Through the Department not taking up this loan, you practically had a monetary loss annually of 2 per cent. on the loan?—Yes, so far as that particular amount is concerned. I may say that I borrowed it for a short period of three years, until such time as I could get my improvements done. Then I again applied to the Advances to Settlers Office with an increased valuation, and obtained from them an increased amount.

163. Did you get an amount more in proportion to the security than they offered to lend you in the first instance?—Yes.

164. Was that due to the increased prairie value of the land?—No, I do not think there is any increased value in the land. There is no such thing as unearned increment either, as applied to country land.

165. *Mr. Paul.*] If the Government puts this railway through to Whangamomona and spent an additional £50,000 on the road, would that increase the value of the land?—I think it would have a natural tendency to do so. If this block was to be placed in the same condition as it was ten years ago, it would not be a bit more valuable now than then.

166. *Mr. McCutchan.*] Do you think, if the Government spent £35,000 more and put the railway through, it would be more than a just proportion of money which this district is entitled to?—Certainly not.

167. Do you think if the Government put the railway in here at all they would do so until they saw that there was sufficient trade to pay the average cost for the colony?—No.

168. *Mr. Paul.*] Are all the railways paying?—I doubt it.

169. Then the Government do put railways in that will not pay for the grease for their wheels?—Railways might be in places where they do not pay, but I am quite satisfied that there was every probability of their paying when they were made.

170. You as settlers could not bring this railway in yourself?—No, it takes the united effort of town and country.

OWEN McLOON examined.

171. *The Chairman.*] What are you?—I am a settler, holding 140 acres under lease in perpetuity. I have held the land for twelve years, and pay 2s. 6d. per acre. It is rented on a capital value of £2 5s. per acre. I am on the main road, and am satisfied with the land, but I am not satisfied with the loading for roads. We are loaded £1 per acre for roads, and I think it is too much. The money was not spent on the roads. £1 per acre would make and metal the road in front of the land.

172. *Mr. McCutchan.*] Do you think the loading should cease when the Government is recouped the principal and interest?—Yes.

173. *Mr. Paul.*] Have you had any experience of the Advances to Settlers Office?—Yes.

174. Satisfactory?—Yes.

175. Was the time within which you got the loan reasonable?—Yes.

176. *Mr. Anstey.*] Do you consider that all the loading for your land should be spent on the portion of land actually fronting your section?—I do not say that altogether, but I do not think we should pay on more than the roads cost.

177. Do you mean to say that you consider the £1 an acre was too much?—Yes.

178. Has it been spent?—I have no doubt it has.

179. Was it sufficient for the purpose?—Quite sufficient to make the road in the portion of the block that was loaded for it.

180. If spent within the block?—Yes.

181. Do you think it should all be spent within the block?—No, but I do not see why a block should be marked out to pay more than any other block in the district.

GEORGE RUSSELL MOIR examined.

182. *The Chairman.*] What are you?—I am a settler, holding 400 acres of lease in perpetuity, about two miles from here. I have held it nine years, and am paying £1 for 200 acres, and 17s. 6d. for the other 200 acres. In addition to that £1, there is a loading on that section of 5s. an acre. I am satisfied with my tenure, and with the land generally.

183. Have you any objection to this loading?—I do not think it has been properly spent. It was years before we had a track of any sort. Then the Government put in a 5 ft. track, but it slipped away. They considered that expended the amount of the loading. Besides the loading, we had to specially rate ourselves under the Loans to Local Bodies Act to carry the main road through to our property. There was a freehold property between us and the main road, and we had to make the road through this property. Then we had again to rate ourselves to form a road to give us access to our sections. If the Government, instead of laying-off these bridle-tracks, which are only temporary, would form a dray-road, it would be more beneficial, and the money would not be wasted as the bridle-track is only of service for a year or two. Over the Mangau River the Government put up a temporary bridge, at a cost of something like £850, but that was only meant to serve for a year, until the track was formed into a dray-road. It was then no use for dray traffic. You could only get a pack-horse across, but when the dray-road was formed, then the bridge had to be altered. That was done out of special loan money at the cost of the settlers.

184. Is there any other point?—Yes, the matter of the lease in perpetuity. There is a considerable amount of land in this district, about 30,000 or 40,000 acres, taken up under the association rules, and the members had no option. They could only take it up under the lease in perpetuity. In the case of those original members, I think they should be allowed to alter their tenure, seeing that after a section in the block was forfeited, the Government removed those restrictions, and gave the new applicant an optional system.

185. *Mr. McCutchan.*] Can you state what amount under the special loans the settlers in your district have made themselves responsible for?—Considerably over £20,000 as near as I can give it to you now. I am not quite sure of the amount, but it is about that.

186. That is under a system of roading the country and under a system under which the country is borrowing largely for public works. The settlers have had to make themselves responsible, in this small district round here, for over £20,000, in order to get access to their properties?—Yes.

187. *Mr. Paul.*] Have you had any experience of the advances to settlers?—Not personally. I think, however, that the amount offered to the small settlers is inadequate. If a settler requires to fell and grass 100 acres he would require to expend about £175, but the Government would not lend him that money under any condition on the standing bush. He has to effect improvements to that amount before he can apply for the loan. If an applicant applied for £150, say, I think the Government should advance him the amount in the form of progressive payments.

188. Do you think that the sum might be increased up to 50 per cent. of improvements with safety?—75 per cent. would be quite safe.

189. *Mr. Anstey.*] You think the Government should form dray-roads to these settlements to start with instead of tracks?—Yes; in these back blocks under the optional system, excepting the purchase for cash, residence is compulsory. Nine years ago some of the country here was taken up,

but it is only just now that a road is reaching within a few miles of it, but through the tenants being compelled to reside on it within four years it led to all this forfeiture. If the Government had made the dray-roads to it right away they would not have had the same cause for forfeiture.

190. Out of what fund would you propose that these dray-roads should be made?—I would be in favour of an additional loading rather than having to rate ourselves for doing the same work. It would pay the Government, because you would have the dray-roads straight away. I would not object to fairly heavy loading provided we got fair roads.

191. *Mr. McCutchan.*] Under that system of constructing roads, would not the settler have to provide the full cost of roading the land. Do you think that would be quite equitable, in view of the fact that the Government are borrowing largely for reproductive works?—I would not say that the settler should be charged the full amount, because the Government is charging a higher interest than the actual cost of the land to them. So that I presume they still have the benefits from that sum and could assist us by way of subsidy.

192. Do you think, as a general principle, the subsidy should be proportionate to the amount of rates, separate, general, and special?—Certainly.

193. Do you think an assured finance could be got by abolishing grants and bringing in that system of operations?—No doubt it would.

194. What proportion should the subsidies bear to the revenue raised by the settlers themselves?—£1 for £1.

195. Would it provide an excessive finance in the old settled districts?—It would if we were rating ourselves to the full amount. I presume they would be rated according to their requirements.

THOMAS HASTIE examined.

196. *The Chairman.*] What are you?—I am a settler holding 1,400 acres—1,000 acres occupation with right of purchase, and the balance lease in perpetuity. I have held it about five years, and am paying £40 for the occupation with right of purchase and £16 for the lease in perpetuity, but I favour the freehold.

197. Then, why did you take up the lease in perpetuity?—I had no option.

198. Are both your areas contiguous?—Yes. My land was bush, but I have cleared 850 acres. It is seventeen miles from here, at Punewhakau. I have a road.

199. Any further point you wish to mention?—I do not favour the lease in perpetuity. It is a good tenure for a man who has capital enough to enable him to fell and stock his section; but in this back country, where a man has to effect improvements, it is absolutely no good to him because he cannot finance with it.

200. Have you had any experience of the advances to settlers?—Yes; it is not too satisfactory; they do not offer enough. I accepted what they offered me and got it promptly, but the amount was not satisfactory. My land is loaded and the money has been expended, but we have nearly two miles of road now to form ourselves. I think the money set aside for loading was all expended. If properly expended, I think the amount set aside would be sufficient to make the roads.

201. *Mr. McCutchan.*] You have a seat on the Stratford County Council?—Yes.

202. That is the body under which the loans have been raised to make the roads?—Yes.

203. You heard the figures Mr. Moir gave?—Yes.

204. Is that amount accurate?—I think he might put a bit more on to it.

205. The settlers throughout this district, in order to provide adequate roads, are making themselves liable for practically a sum of £24,000?—Yes. My rent is £56 a year and the improvement rates are within a fraction of £40.

206. That is apart from the special rate for the £24,000?—No; that includes my proportion of the special rates.

207. What is the rate the Stratford County Council is now levying for the district?—2½d. on the unimproved.

208. *Mr. Paul.*] Your evidence goes to show that the majority of the bush settlers must borrow money to get on the land?—Yes.

209. *Mr. Anstey.*] You say the lease in perpetuity is not a good one for a man without means because he cannot borrow under it?—Yes.

210. Why is he not able to borrow under that tenure?—For the simple reason that the Government restrictions regarding the amount do not make it worth his while applying for it.

211. Cannot he borrow from private lenders?—Yes; but he can only get about 50 per cent., and he will have to pay from 3 per cent. to 4 per cent. more for it.

212. What is there in that tenure that makes it so much worse to borrow under?—It is the insecurity of it. People are afraid of periodical revaluation in the future, which is the greatest weakness of it as a security.

213. Supposing it was subject to revaluation, one witness said he could borrow under an education lease, which he held, better than under the lease in perpetuity. What would you say to that?—I am speaking of borrowing chiefly from the Advances to Settlers Department, and they will only give you half the actual improvements.

214. But everybody cannot borrow from that office, because the amount to lend is only limited?—True; but if the Government will not do it, of course, outsiders will not.

215. I think the Government are advancing on the lease in perpetuity?—Yes; but in such small proportion that it is not worth while applying for it.

216. Under the lease in perpetuity are there any special conditions which the private money-lenders object to?—I do not know.

217. Is it not the fact that under the lease in perpetuity the money-lender has not the right to foreclose without the consent of the Minister?—Yes.

218. Is not that the chief trouble?—Not the whole trouble, but it is part of it.

219. Do you think it would be wise if that trouble were put right, if the lease-in-perpetuity settler had the right to mortgage his lease as he thought fit?—Yes.

220. If that were removed do you think the tenure would be a fairly good one to borrow money on?—Not unless the Government will advance more.

221. *Mr. McCutchan.*] How do the banks look on this security?—Absolutely as worthless, and they will not make any advance on the lease in perpetuity; but I have a small freehold, and I can take the deeds of that to the bank and get whatever I want.

222. And then is it not the case that no mortgagee can foreclose without the consent of the Land Board?—Yes.

223. *The Chairman.*] Is there anything you wish to add?—Yes. My wife has a section, which is contiguous to my own, of 598 acres under lease in perpetuity. It has been held for nearly ten years, and, although it is loaded for roading, there is no road and not even a pig-track within 35 chains of it. I ask you if this is fair.

224. *Mr. Anstey.*] Do you think the residential conditions ought to be enforced until reasonable access is provided?—Most certainly. I think no holder should be compelled to reside until he has a full-width road to it.

225. Would it not be still better to put in the roads, as far as possible, previous to offering it for settlement?—That is what I would contend.

STRATFORD, FRIDAY, 2ND JUNE, 1905.

JOSEPH McCLUGGAGE examined.

1. *The Chairman.*] What are you?—I am a storekeeper and farmer, and have been eleven years in Whangamomona and twelve years in the district. I hold 400 acres lease in perpetuity, and have held it since 1893. I pay 4 per cent. on £1 10s. an acre, which includes roading. I am not satisfied with my tenure. I think the optional system should remain on the statute-book, but we should have the right to convert it into freehold after complying with the conditions of the lease and paying up the 1 per cent. difference between the occupation with right of purchase and the lease in perpetuity. The reason I advocate is on account of the extremists in the cities preaching revaluation and a Fair Rent Bill, which is causing a lot of distrust among Crown tenants. They think their tenancy is insecure. Then they say in the cities that the unearned increment should not belong to the Crown tenants, but in our back country the increased value is brought about by the settlers' own industry. In some cases they have to carry their stores on their backs for eight and ten miles, and the first settlers had to carry it twelve miles. Then, again, their families are shut out from all social intercourse: some women cannot visit their neighbours for years, in fact for eight months out of the twelve they cannot get out of their gate without being bogged. The unearned increment on this land should go to the tenants. I do not believe in giving the land-for-settlements tenants the freehold because they started with very good prospects. They are close to the railway, the land is highly improved, and the social conditions are good in every way; they are close to schools and towns, and are very well situated. The improved-farm settlement at Whangamomona has been a very great success, as fully 60 per cent. of the original settlers are on their way to becoming independent farmers if they had better access. They are mostly from 100 to 200 acres. The success of that settlement is due to Mr. Strauchon (who was the Commissioner of Crown Lands), Mr. Robinson (the Engineer), and Mr. Nathan (Road Inspector). Mr. Strauchon is a first-class administrator, and was ably assisted by the other two. I think the residential conditions in this back country should be relaxed; in fact they should be extended and in some cases done away with altogether. In some of our back country those conditions should not come into force for eight or ten years, and not then if there is not a summer road to the place. In some cases, under the discretion of the Land Board, residence should be done away with, provided a resident employee was on the place. That would enable a man in the city who had a family of sons growing up to take up the land for their benefit, and they would not be hampered with the residence condition. It would be the means of making a lot of our rough country in Taranaki productive, which is useless at present, as it is too rough for small men to take up. If the Government were to put it into the market at 1d. an acre, in 2,000-acre blocks, it would be better than offering it at 6d. an acre and not getting it taken up at all. The Land Board should have larger discretionary powers in these cases than they have at present. I think the ballot system is absolutely a fair one and can only be improved by the examination of intending applicants. If they had the same power to examine applicants as under the land for settlements they could get better applicants. Coming to the constitution of Land Boards, I think the present constitution is the best. Practically the Land Boards are nominated on a parliamentary franchise, because the Government is elected by the people, and if the Boards were elected directly on a parliamentary franchise the Crown tenants would be disfranchised altogether, because the towns would outvote the country in every case. I think the Land Boards should have larger discretionary power than they have, even to the extent of allowing a remission of rents, and I think the Act of 1892 should be amended to allow the occupation-with-right-of-purchase holder to surrender his lease in the same way as the lease-in-perpetuity holder can surrender his. At present one can do so and the other cannot, and that causes great hardship in the case where a man has a very rough section and has not got a building-site; very often he has to surrender or would surrender if he had the power, but he cannot—he must forfeit. As to the Advances to Settlers Office, that, until quite recently, has been the most conservative money-lending institution in New Zealand, and, as far as the Crown tenants were concerned, it has been a dead

letter. Within the last two months they are lending up to 50 per cent. of the value of the land, which has helped the settlers in my district under the lease in perpetuity considerably. They now recognise goodwill. It would be a good thing if they would lend three-fifths of the selling-value the same as on the freehold. It is the want of cheap money which has crippled half the settlers in Taranaki. The present lease in perpetuity is the only security the money-lender has got, and he gets 8 per cent. for it, and if the Government would advance the same as on the freehold it would put these settlers in a very different position. As to loading for roading purposes, that presses unduly harshly on Crown tenants, especially the lease-in-perpetuity holders, as they have to pay the 4 per cent. for all time. I think this system should be abolished, and it would pay the colony well to go in for a large loan and road all this back country and push the railways on as well, because we cannot exist very far back of Whangamomona unless we get railways and good roads. There was an amendment of the Public Works Act last session giving the Land Boards power to give the local bodies notice to schedule the "thirds" and apply for them. That is going to act very harshly on Taranaki back blocks, because some of these by-roads which have got accrued "thirds," in some cases, are not formed—there is a bridle-track—and they are not vested in the county. If this idea is carried out it means dual control between the County Council and the Public Works Department. The "thirds" are simply fritted away now, and the work is of no use to the Government or settler. I suggest if the Government formed the by-roads, and then allowed the settlers to capitalise the "thirds" for metalling them, it would put them in a much better position. At present the "thirds" are being spent every year, and when the winter is over the roads are just as bad as when they started. If something is not done in the east of Stratford to give us better access by railway or roads, a lot of the settlers cannot possibly exist. Some are twenty-eight miles beyond Whangamomona, which means they have to pack everything they want. Besides that the dairying industry, which is very important to the small settlers there, is languishing for the want of roads. At Whangamomona the dairy factory cannot pay for butter-fat within 3d. a pound of what the factories alongside the railways pay to-day. On account of the bad roads in the early spring people cannot get to the factory, and others have to stop early in the season also on account of the bad roads. We have to pack cream to one creamery up to the middle of December; we did that last year. I admit £100,000 has been spent on the Ohouru Road, but that is 108 miles long, so that it is not much per mile. The road is formed for dray traffic fifty-five miles from Stratford, and then there is a bridle-track for about ten miles, and for another ten miles there is no track at all; then there is nearly forty miles of good dray-road to Ongarue, but it is not metalled. For the want of this gap between these two places the Taranaki farmers are losing thousands of pounds per year. We have a first-class market in Waikato and Ohura for steers, sheep, and cows, but we cannot get them there on account of this block. Steers for the last two or three years have been from £2 to £2 10s. per head dearer there than they have been in Taranaki on account of the want of access to get them through. It would only take a few thousand pounds to complete that link, and it would give through communication between Taranaki and Auckland. To give you an idea of the cost of living under present conditions in Whangamomona district, in two years we lost forty-eight working-bullocks and thirty pack-horses through tutu and mud. I saw one bullock standing dead one day smothered up to the yoke. Last year we carted 600 tons into Whangamomona, and a lot of this had to be packed from the store for twenty-eight miles. That cost the farmers nearly £5 a ton. If the main road had been metalled right through and the by-roads formed, and the settlers allowed to capitalise the "thirds" to metal them, they could get it carted at an average of £2 10s. a ton, thus saving them £1,500 a year for the stuff we cart alone. That £1,500 would pay interest on £30,000 and would metal the road right through. The Stratford County Council, including Mangonui Road Board, have rated themselves and borrowed £100,000, and the "thirds" have been spent up to £15,000; so that, between the "thirds" and the money borrowed under the Loans to Local Bodies Act, we have raised £150,000. If the railway was done to Whangamomona all the goods could be carted out and in at an average of £1 per ton if the roads were formed and metalled, and that makes the difference between bankruptcy and prosperous settlement. There is some talk of the Government handing over the main road to the local bodies. If so it would be suicidal to us, because the whole of our rates in the two ridings could not keep the main Ohouru Road in repair. I admit that it is a very difficult thing to maintain, but it has not been put in proper order since it was formed. Coming to the question of slips in the back country, I think the Government should give some assistance to the farmers who suffered very serious loss from slips last winter. They have a precedent for it in the rebates they gave to the Crown tenants in Otago who suffered on account of the snow storm about eight years ago. They should get a rebate of rent for two or three years, more especially when they have to pay rent from the jump. Tenants now get four years' exemption under the Bush and Swamp Lands Act. It cost some farmers hundreds of pounds through the slips last winter shifting fences and loss of stock. Some of the settlers in Whangamomona during the May floods never had a secure paddock. Their fences were washed down on the road, and their cattle were bogged and smothered. In two cases the families had to shift out of their houses, and the Land Board very properly recommended them to the Minister for a rebate last meeting. I think the Government should give some compensation to these people considering the hardships they have had for the last ten years and are likely to have for longer.

2. *Mr. Anstey.*] You are a member of the Land Board?—Yes.

3. But not of any local bodies?—No.

4. *The Chairman.*] How long have you been on the Land Board?—Two years and a half.

5. You think the present lease-in-perpetuity tenure is unsatisfactory on the score that there is great insecurity about it?—Yes. It is a good tenure to give a man a start, but when he gets into the position to convert it into freehold he should be allowed to do so in order to secure it.

6. The Government has entered into a contract with you. Do you apprehend that there is any likelihood of their attempting to break it?—The present Government, no; but we do not know what may happen in twenty years' time.

7. Then it is really the Legislature?—They can do it and there is the feeling now in the cities that our land should be revalued, as we have such a good thing on. On that ground I advocate the freehold. Then, again, in borrowing, you cannot finance as well as you can a freehold.

8. You think those who have taken up land under the lands for settlement should not have the option of the freehold?—No, but I think they might be allowed to pay something off when they have saved the money in prosperous times instead of leaving it in the bank to earn only 2 per cent. interest.

9. But the insecurity of the lease in perpetuity will also apply to others?—No; under the lease in perpetuity the interest of the lessee in the lease is from 200 per cent. to 800 per cent. more than the Crown's interest. The land for settlements is entirely different; the Crown there has from £10 to £30 more in it, and the tenant only from £2 to £3.

10. With regard to the residential conditions being relaxed for eight or ten years as you suggest, would not there be a little danger of dummyism in that?—No, the Land Board would use their discretion and have greater discretionary powers. There should be a careful examination of all people applying for land.

11. You think the country towards the Ohouru Valley should be cut up into 2,000-acre blocks?—Not the good land but the rough land back of Whangamomona, which would then be taken up as good sheep country. It should be cut up under lease in perpetuity. It is not capable of being settled in small areas.

12. It would mean but a small population to pay rates and keep up the main roads, would it not?—All the good land is taken up now along the main road to Whangamomona, but beyond that it is not.

13. You say ten miles is only a very poor track. Is that where some of this high country is?—No, there is some very good land twenty-eight miles from Whangamomona like this Toko land—nice undulating land.

14. You think the Land Board should have more power in the direction of allowing remission of rent?—Yes, but of course always with the sanction of the Minister.

15. You think the Advances to Settlers Department so conservative that practically the settlers could not get money from it?—It was a dead-letter here amongst the Crown tenants.

16. It has not been that everywhere?—No, they are taking up loans that they refused two or three years ago.

17. You say the lease-in-perpetuity tenant can get money at 8 per cent.; we have been told some pay higher?—The Taranaki Land Board will not pass any. There are cases that come before us sometimes, but they are isolated. There was one case where a man's mortgage was called up and he had to pay 10 per cent. for the money on account of chattel security. The banks will not touch lease in perpetuity without a guarantee.

18. With regard to loading for roads, do they not capitalise the "thirds" in some cases?—Yes, but according to the amendment of last session they will be crippled altogether and the system will be a dead-letter because they have to pass it over to the Roads Department if the local bodies do not expend the money.

19. *Mr. Paul.*] Do you think the land should be loaded at all for roads?—Yes, unless we had to pay a rate, while the Government should borrow the money as cheaply as possible and lend it to local bodies, that is, for the by-roads; the main roads should be formed and metalled out of the Consolidated Fund.

20. If it was a choice between loading as at present carried out for 999 years, or of allowing the settler to take advantage of the Loans to Local Bodies Act and do the road himself, which would you prefer?—To do it under the Loans to Local Bodies Act.

21. Did you have the option when you took up this land?—No.

22. Did you believe in the tenure when you took it up?—Yes; but there is the difficulty of financing.

23. But if the Government are coming to the assistance of these tenants would not that get over the difficulty?—Yes.

24. Then there is only the other objection of the action of those who are called extremists in the towns?—And the insecurity of the tenure.

25. You are a man of wide observation: do you think there is a majority who will repudiate a bargain entered into between the State and a citizen of its citizens?—At present there is not; but twenty years hence you do not know what might be done.

26. What might be done in regard to the freehold twenty years hence?—If they can pass an Act to take the freehold from a man, they can pass an Act to revalue the leasehold.

27. Well, there does not seem to be much choice then between the two?—There is the feeling that you cannot hand your property down to your family as you would perhaps like. Town people think that we have got such a good thing on that we ought to be revalued, but I would like to see some of those people go into this back country for ten years, and then say what they think of it at the end of that time.

28. You say there is no unearned increment for the settler to get?—Not in our country.

29. Then, it is an impossibility for the town people to get it?—There is a goodwill in this way, that the increased land value is brought about through the industry, energy, and enterprise of the settler.

30. You think the settler is fully entitled to that?—Certainly he is, but the townspeople say no. They want to make the valuation on the improvements in the future. Very few have argued that it should be retrospective, but you do not know what might be done in years to come. Who is responsible for the dairy factory at Whangamomona, forty miles from the railway? The settlers themselves, when they sunk their capital for ten years waiting for their return. That puts a goodwill on the land. Some extremists have also advocated that a man should simply get his improvements in the case of the death of the lessee or the transfer of the lease.

31. All those improvements in your case are due to the expenditure and labour by the settler, and you say the increment should belong to him?—That is the position I take up.

32. You say that if the railway were put through, and the road metalled, the latter should only be done out of the consolidated revenue?—Yes.

33. That would put a value of £1 an acre on the land?—Yes.

34. Could the settler well afford to pay the rent on that £1 an acre?—Yes, if he had the railway there.

35. But so far as retrospective revaluation is concerned you object solely to that?—Yes. What about the roads and railways in the South Island which have gone through freehold property. We have helped to pay for them, and the State does not get anything out of it. If we had had the leasehold from the start in New Zealand it would have been all right, but when we have only the remnant of the land left the thing is most unjust.

36. But the freeholders pay land-tax?—That is so; but they get the best of the land and for all time. I know land in Manawatu which was bought for £2 an acre a few years ago and is now being sold for £40.

37. If the State sees it made a mistake in selling that freehold, might it not be a wise policy to conserve the remaining lands by the leasehold system?—No. It is too late, because the remnant that is left is rough and unbroken.

38. I do not mean to say that you should have retrospective action with regard to present leases, as they have entered into the bargain, and should stick to their bargain and the tenants should keep to theirs, but you propose to alter that bargain by giving the tenant the right of purchase?—The Government recognise goodwill in the case of these leases by lending up to 50 per cent. of the selling-value of the land, and the Land Board recognise it when they pass a lease by allowing the transfer to go through.

39. Supposing the tenant got the freehold, would that give his tenure any additional value?—It would make it more secure, and he could sell it easily, probably for a larger amount.

40. As a resident of Whangamomona, which do you think is of the greatest moment: the question of roads or the question of tenure?—That of roads.

41. Do you think that roads should precede settlement?—Yes. Unfortunately settlement is a long way ahead of roads in Whangamomona; but on account of the cry for land the Government were forced to take up this land in the back country.

42. You spoke of relaxing the residence conditions: do you not think good settlement depends on residence—it brings along conveniences like schools?—Yes. I should qualify it by saying that I would extend the condition to the case of rough lands, which are not fit for close settlement. It would give people a chance to take up land for their sons, who would then have an improved farm to enter into. It would pay the colony to road those lands, and give them to people for nothing in order to get it taken up.

43. Do you not think that might lead to injustice, as there might be some genuine settlers wanting land immediately?—I would give the Land Board discretionary power to examine applicants and classify them, and I would put the people I referred to in about the third class. There would be a margin.

44. If there is land available over and above the demand you would then give the concession indicated?—Yes.

45. Do you know of any instances of borrowing at a prohibited interest in the Whangamomona district?—Settlers have been compelled to pay high rates. There are few who have got money privately under 8 per cent.

46. That is due solely to the refusal of the Government to apply the advances-to-settlers system there?—Yes; and the insecurity of tenure as well, because outside institutions see that the Government will not lend it, and the Government Advances to Settlers Department's action brought the lease into contempt.

47. Why does the money-lender look on the freehold as the better security?—Because the freeholder is not hampered by the Land Board. There is no residence condition, and no absolute right of foreclosure.

48. Can you conceive it is a good thing for the settler in many instances like that to be a leaseholder?—In the case of foreclosure it might be a wise provision to save some settlers from themselves; but what is good for them is just as good for the freeholder, for he often runs amok.

49. Do you think it would be good policy for the State to let that rough land on pastoral lease at 1d. an acre on the lease in perpetuity?—It would be.

50. When I say perpetual lease, I mean the periodical revaluation?—No.

51. Will not the railway greatly enhance the value of that land?—It would be years before this land would be in working-order—I refer to the rough gorgy land away back near the Tangarakau—probably ten or twenty years, through slips.

52. It would not be fair to revalue it under twenty years in that class of country you say, but if the settler first got it on a fifty-years lease before the question of revaluation was considered, would it not be a good policy for the State?—Yes; I think that should satisfy them.

53. *Mr. Anstey.*] We were told that there were five sections vacant in the Whangamomona Improved Settlement?—Yes.

54. Are they large enough to make a fair living on?—No. If they had good roads they could dairy on them, as the grass grows all the year round.

55. Do you think it would be wise to put two of these sections together?—Yes. They are not forfeited yet. They are not Crown lands.

56. Would 150 acres be more than required?—A man could make a good living on that area if he had access to the factory. I think the Land Board have allowed them to group in some cases.

57. Do you not recognise there is some difficulty in allowing the Land Board to make a reduction of rent or to give a rebate?—No.

58. Supposing a man had a seat on the Land Board, and he might be in business in the district, and the question came up, might it not place him in an invidious position, as it might suit him to vote for the reduction to a man who owed him money. Of course I am not referring to your position personally, but taking the general principle?—No. Speaking for myself, I would look at it from a broad point of view, and then there are four members besides the Commissioner, who would also have a voice in the matter.

59. Suppose there was another storekeeper on the Board, would it not place the Land Board in a rather unfair position?—Well, it might in that case; but still the Land Board should have more discretionary power than at present.

60. With reference to the advances to settlers and the lease in perpetuity, is it not a fact that the whole trouble is that the landlord has no power of taking possession?—No, it has to go through the Land Board.

61. Supposing that difficulty were removed and the landlord had power of foreclosure, would that make the security sufficient to lend money on?—No; then the element of a Fair Rent Bill and of revaluation crops in as well.

62. Supposing the State repudiated their bargain, and said the tenants got the land too cheap, and wanted to revalue him and put it up, you would equally say to the freeholder, "You bought your land too cheap, and therefore we must put it up to its highest value, and charge you what you ought to pay?—They could fire the leaseholder out, and only recognise his improvements, and just give him that.

63. You say you expect the Government would probably raise the rent. Then I say if it is fair for the Government to raise the rent of the leaseholder after they have entered into a deliberate bargain with him, is it not equally fair to revalue the freehold?—Supposing they did revalue the freehold, how would they do so: would they take it on the buying value or the selling value.

64. Supposing the Government were to revalue and the lessee were to sell out at a price including goodwill, he would only be valued over and above the excess he paid?—Yes.

65. Would not that prevent the possibility of valuing leaseholds at all?—I should think it would. There is a feeling of insecurity throughout the country in regard to leaseholds; then there is also the Fair Rent Bill. There are a number of politicians in New Zealand who are advocating the passing of the Fair Rent Bill.

66. With regard to main roads you say that if the local bodies had charge of them they could not finance them?—That is so in this particular instance.

67. Supposing there was a system of finance assured under which the local body should take charge of the main road, would that be better than dividing the administration of these main roads between two or three different bodies?—The cost of administration would be less under one body.

68. Do you not think it would be wise that one body should have full control of all the roadwork in the district?—Yes. I think it would be better if the Government were to borrow money and earmark that money for roadwork in this back country.

69. Supposing you had a graduated system under which the subsidy would be largely increased: would not that enable the local bodies to undertake the whole of that work?—In my opinion that would put us in a far better position.

70. Have you ever given any attention to the question of the cost of these Crown lands to the Government, and the price at which they have been sold?—Yes. In some cases Native land has only cost the Government 2s. 6d. an acre, and in other cases the Native land was confiscated and thus cost the Government nothing. We may allow 2s. 6d. an acre for surveying and 2s. 6d. for administration expenses, and this land has been sold at an average of £1 an acre, which gives a profit of about 10s. an acre.

71. How much money has the Government spent by way of grants in opening up this land?—I could not say without going into figures. I think, however, that if the figures were worked out in regard to the East Coast country it would be found that that district would be in credit about quarter of a million.

72. *Mr. Johnston.*] When this block was opened up, under what conditions was the land disposed of?—A considerable portion of it was under the optional tenure.

73. What part of the colony had you experience of prior to settling here?—I have had experience all over the colony, farming and gold-digging.

74. Have you seen any of the settlements under the Lands for Settlements Act in the South Island?—No; but I have heard that they are a great success.

75. Do you know whether settlers have been absolutely refused advances by the Advances to Settlers Department?—Yes.

76. What were the reasons given?—In the early days when they applied they were told that their sections were too far away and that the tenure was leasehold, and therefore they had no chance of getting what they wanted. They could not even get up to 50 per cent. on improvements.

77. Was that state of affairs represented to the Government?—I have told some of the members of the Government that myself.

78. How did those settlers get money?—They had to go to private money-lenders and pay 8 per cent.

79. They could not get it at 5 per cent. from private money-lenders?—No. Private money-lenders took advantage of the tenure to charge a higher rate.

80. I suppose in your business you sometimes advance money to settlers on their lease?—We have been doing so, but we are drawing out of it.

81. Where do they principally get their advances?—We have guaranteed a lot of their accounts at the bank, but we are drawing out of that.

82. The banks holds their lease as collateral security?—Yes.

83. Could any of these settlers sell out to advantage?—Yes.

84. Are there many sections changing hands?—Recently there have been two or three at Whangamomona.

85. At how much above the value of the improvements?—One gentleman sold out the other day at £7 10s. and he had £7 of improvements, so that he only got 10s. for the goodwill. He had only 100 acres of land and it was very highly improved land.

86. Was he tired of his holding?—No; the place was rather small for him. In another case the holder sold out at £1 an acre goodwill. None of them have sold out at a large goodwill.

87. Do you approve of transfers being granted indiscriminately by the Land Board?—No. The Land Board always exercises discretion in dealing with transfers. We consider whether the incoming tenant is likely to be as good a settler as the outgoing tenant, and when he has complied with the residential conditions and has done his improvements we pass the application.

88. You simply pass him if he is a suitable settler and has complied with the regulations?—Yes.

89. Do you consider the amount that is proposed to be given for the goodwill?—Yes; and we have hung up a lot of applications on that account.

90. If you consider that the incoming tenant is giving too much for the goodwill you refuse the transfer?—Yes. I consider that if a man has carried out all the conditions in this back country he is entitled to all the goodwill he can get. If the Board has the least suspicion of speculation we do not allow transfers.

91. Would a railway to this block pay?—Yes, it would pay handsomely.

92. What is the carrying-capacity of that country?—Two sheep to two and a half sheep to the acre. You can fatten sheep and cattle there without having to grow artificial food.

93. Under the Land for Settlements Act would you approve of revaluation for future sales?—No.

94. You believe in the 999-years lease?—The land-for-settlements people in the south are differently situated to settlers who take up Crown lands in the north, because in the former case the land is close to markets and the settlers have roads and other conveniences; but the conditions are quite different in the case of Crown lands in this district.

95. If the Government put up these Crown lands for sale would you agree to the freehold being given without any restrictions whatever?—Yes; I think the freehold is a good tenure for the colony, because a man who has the money to acquire a freehold employs a lot of labour, and that enables numbers of poorer settlers to obtain work near their own home.

96. If the settlers are given the freehold of this land will not they have to mortgage pretty heavily?—The mortgage will be nothing, because they have only to pay from 12s. to £1 10s. an acre for it; they could finance 13s. to £1 to get the freehold if they wanted to. If a man, for instance, has 100 acres and has borrowed £400, and was paying 8 per cent. to the private lender; if he could get the freehold he could go to the Advances to Settlers Office and get up to 75 per cent. of the value for 4 per cent. interest.

97. But a man is better off paying the Government 4 per cent. than he is in paying a mortgage?—He is in one way, but in another way he is not. There is a great deal of difference between land for settlement and ordinary Crown land. Land-for-settlements land is highly improved land as a rule.

98. If the Government were putting bush land into the market, would it be an improvement, instead of doing that, if they put roads or railway into it and improved it before disposing of it?—That would never do. I do not think it would be very satisfactory. At any rate it would not suit me, because I would like to fell the bush in my own way.

99. *Mr. McCutchan.*] In reference to the ballot system, would you advocate the Commissioner of Crown Lands having the power to examine applicants, so that those who were deemed unsuitable should not be included in the ballot?—Yes.

100. Would you give a preference to married men?—Yes. I would classify them as follows. 1, Men who have never held Crown land; 2, men with families who have been unsuccessful with ballots; and 3, any other applicants.

101. Would you give a man who has been unsuccessful at one ballot a preference at the succeeding ballot?—Yes.

102. In speaking of the Advances to Settlers Department you advocated largely increasing their lending power?—Yes.

103. In lending money do you think that the Department should make a distinction between money borrowed to make further improvements and money borrowed to pay off an existing mortgage?—That might be a benefit to the leaseholder. I think it would be.

104. Do you not think the State would be safe in making a larger advance for further improvements?—Yes. I would advocate that strongly.

105. Do you think that the Department should exercise a supervision over the expenditure of the money?—No. Probably it might be as well to let the borrower make a declaration that he has expended the money and hold back a certain amount of it until he makes that declaration.

106. You would accept his declaration without any supervision?—Yes.

107. In the Public Works Act the word "road" is defined to be a road in which any survey-pegs are put in; but, as a matter of fact, they are county roads from the time the survey-pegs are put in?—I understand that the county has no jurisdiction over a road until it is vested in the county.

108. Would you advocate alterations of the law providing that no road shall be a county road until it is so gazetted?—Yes.

109. In speaking of the families who have gone away from Whangamomona owing to the difficulties of transit and road-communication, can you say if any of these families went away with practically no means whatever?—Yes.

110. Can you give us an indication of the number of such families ?—About seven or eight.

111. What would be the average number of each family ?—Five.

112. These people were beaten in the struggle of settlement ?—Yes ; on account of the bad access to their land.

113. You gave it as your opinion that large tracts of this country were secured by the State for very little ?—Yes, 2s. 6d. per acre.

114. Is it not a fact that under the lands-for-settlement policy, where the settlers have not to undergo the hardships of the bush settlers, that the State allows them to take up that improved land at a low rental ?—Yes.

115. I have here a return furnished by the Lands Department in which the particulars are given as to the conditions, &c., of their settlements : do you think such a wide distinction should be made in the different classes of settlers ?—That return shows that they are paying 40 per cent., instead of 4 per cent. The settlers on that block have largely borrowed for local purposes. That proves that we settlers in this part of the colony are severely handicapped compared with settlers on land-for-settlement sections. I think that shows clearly that the Government ought to road this country.

116. I suppose you are aware that some sixteen miles of the East Road has been vested in the local body ?—Yes.

117. And you stated that the whole of the available money of the two ridings had been expended in the upkeep of the first sixteen miles ?—Yes.

118. But you did not point out that the road was £16,000 in debt ?—I did not have the figures at hand.

119. Would it not be a hopeless matter for the settlers to attempt to maintain the road ?—Absolutely ; the settlers could not do it.

120. With respect to the residence and improvement conditions, do you think that the freeholder should be put under the same conditions as the leaseholder ?—No.

121. Why ?—I think the cash man or freeholder is a big help to the smaller man in a district, but I would compel the freeholder to have a resident employee on the land.

122. Do you not think that would leave the door open for speculation ?—If a man pays cash for his land he can do what he likes with it.

123. That is the present law ; but would you advocate a change in the law ?—I would advocate that in such cases there should be a resident employee or registered substitute.

124. Would not that mean admitting the speculative element ?—That must come in to some extent. The man who pays cash for the land improves it, and, in many cases, gives work to other settlers.

125. Do you think it is any hardship for a man to be forced to live on the land when he takes up a section ?—I have given a good deal of thought to this question of the residential conditions since I have been a member of the Land Board, and my opinion is that I think they should be relaxed. I certainly think if a freeholder took up land for cash he should be allowed to put a resident substitute or employee on the land.

126. Is not the sanction of the Land Board to the deed of mortgage an acknowledgment that the power of foreclosure is in the hands of the mortgagee ?—Yes.

127. Have any instances of that kind come under your notice as a member of the Land Board ?—No.

128. Has there been any interference by the Land Board in such cases ?—No.

129. In regard to transfers, do you think the Land Board should in any way interfere with the consideration given ?—No, but under the present Act we have to.

130. Why ?—Simply because it is the general belief that the Government does not approve of too large an amount for goodwill being given to the outgoing tenant.

131. If the Advances to Settlers Department advances up to 50 per cent. on the goodwill, do you not think that is an acknowledgment on behalf of the Government that the goodwill belongs to the tenant ?—Yes. As far as I am personally concerned, I think the tenant is entitled to all the goodwill he can get in the back country.

132. Do you not think the State is sufficiently safeguarded by the improvements on the land, without any interference between the vendor and the purchaser ?—Yes.

133. Is it your opinion that the State should not interfere between the purchaser and the seller in such cases ?—Yes, if the residence and improvement conditions have been fulfilled.

134. *Mr. Anstey.*] Would it not be wise if all the land were loaded sufficiently to give proper access to the land ?—I think it would be a fair thing under all the circumstances if the Government gave us the road and constructed the railway.

135. In regard to the figures quoted by Mr. McCutchan, were not the amounts of the grants omitted ?—Yes, but they could be easily obtained.

136. Were not the costs of administration also left out ?—Yes, but they would be very small.

137. *Mr. McCutchan.*] The grants amounted, I understand, to £54,000. Do you think that £54,000 is any more than this district is entitled to from the borrowed money for public works ?—No, it is nothing near its fair share of borrowed money.

138. From your knowledge of the whole position, not only of the back country and elsewhere in the North Island, do you think these districts have received a fair amount ?—Certainly not.

139. In view of the hardships and heavy losses of the settlers on Crown lands in this part of the colony, do you think, if any distinction should be made between the two classes of settlement, that preference should be given to settlers taking up land under the Land Act of 1892 ?—Yes.

140. Do you know of any other disability under which the settlers labour in this district ?—Yes, tutu-poisoning of their cattle.

141. Do you know of any herds of cattle in this district having been practically wiped out by tutu-poisoning?—Yes, I know of one man who has practically lost his whole herd by tutu-poisoning. Every settler in this district has suffered more or less from tutu-poisoning of his cattle.

142. Do you know of any cases where settlers have lost as much as £600 from tutu-poisoning?—Yes.

143. And therefore, as to cattle, do you think the value of cattle should be substantially discounted?—Yes.

144. Have you known of sheep having to be held back by the farmer owing to his not being able to get them into market?—Yes, I know of cases where both cattle and sheep have had to be held back by the farmer owing to want of road facilities.

145. Have any promises ever been made by the Government that road facilities should be given?—Yes, repeatedly.

146. Do you know of any Ministerial promise having been made that proper road-communication between the northern district and the railway in Taranaki would be provided?—Yes, such a promise was made by the late Sir John McKenzie, and also by the Hon. Mr. Duncan.

147. *Mr. Paul.*] Would you give it as your opinion that the State should not under any circumstances make any profit out of the land; we are referring now to land under the Act of 1892, and not to land under the Land for Settlements Act?—Under the Land for Settlements Act, the people get the land at the actual cost, whereas land is disposed of in this district, at any rate a great deal of it, at a profit to the State, probably of 10s. an acre.

148. You are quite sure that settlers under the Land for Settlements Act get their land at the actual cost?—At any rate, at a very small profit. There may be $\frac{1}{2}$ per cent. above the cost, but I do not think there is any more.

149. You think there should be no profit whatever made out of the remaining Crown lands?—No.

JAMES BRODIE examined.

150. *The Chairman.*] What are you?—I am a farmer, and hold 850 acres under lease in perpetuity and occupation with right of purchase, in the Mangamina Block, and I have held the land for twelve years. My rent is from 1s. 3d. to 1s. 6d. an acre.

151. Which tenure do you prefer?—Occupation with right of purchase.

152. As a general land tenure for the colony, do you think the occupation with right of purchase is better for the State and for the settler?—Unquestionably.

153. Therefore you believe in the freehold?—Yes.

154. What is your objection to the tenures that you now hold?—I have no objection to the occupation with right of purchase, but I have a decided objection to the lease in perpetuity. My great objection to the lease in perpetuity is that it is not what it is given out to be. Settlers taking up land originally under that system looked upon it as being practically a freehold, but experience has, unfortunately, proved that it is nothing of the sort. I think there are very few people who have held land under lease in perpetuity for any length of time who hold that opinion now.

155. Is that because of the fear of revaluation?—It is a great deal more than a fear. What we looked upon as being absolutely the property of the tenant has been depreciated in value, in many cases by 50 per cent, on account of the agitation for revaluation and the interference on the part of the Land Board. I admit that the Land Board in this district does not vexatiously interfere with the tenants. I also object to the lease in perpetuity on the ground that it is neither satisfactory to the individual or to the State. In the first place, it was supposed, and it is held by a good many people still, to be the best tenure for a poor man. I do not believe it is anything of the sort. The best tenure to a poor man or a man with very little capital is a tenure that will give him security of tenure on which he can borrow to the best advantage, because if he has not the money himself, he is bound to borrow. The only argument that can be used in the lease in perpetuity being a poor man's tenure is simply the 1 per cent. difference between 4 per cent. and 5 per cent. in the case of occupation with right of purchase, but that difference is far more than discounted by the fact that a settler under the lease in perpetuity cannot possibly do the best with his land at times when he really wants assistance. I think, further, putting aside all other side-issues, that there is no possible land-tenure that is likely to be so satisfactory or that will produce a contented and prosperous people as the freehold.

156. Would you give the freehold in the case of land acquired by the Government under the land-for-settlements policy, and leased under lease in perpetuity?—I would. If the freehold is good for one class it is good for another, so long as care is taken that there shall be no aggregation of large estates. I believe that the State and the settlers would be better under the freehold tenure.

157. In regard to the freehold, would you limit by law the amount of land any man should hold?—Yes.

158. How do you think that should be done?—I do not know that I could on the spur of the moment suggest the best method of doing that, but I approve of the principle. There is no reason why a satisfactory measure could not be introduced to prevent the aggregation of large estates and yet give the freehold to the men who are toiling on the land.

159. Have you had any experience of the Advances to Settlers Department?—Not for many years. Some years ago I made several applications but was unsuccessful, but I have heard the experience of other settlers in regard to it. I would like to make some remarks in regard to other matters. First, as to the constitution of Land Boards. As far as my experience has gone in this district I have no complaints to make against the Land Board. My relations with the Board and its officers have been satisfactory. At the same time I think that one member, or a portion of the Board, should be elected, if on no other ground than that there are two parties interested—viz., the landholders and the State, and I think the interests of both would be probably better safeguarded if the landholders elected at least

a portion of the members of the Board. In addition to what I have said as to the freehold, I am of opinion that the present land laws should be amended in the direction of entirely abolishing the lease-in-perpetuity tenure. I do not think that there is anything to be gained by keeping that system on our statute-book. I consider that the occupation with right of purchase is the best form of land-tenure, and I also think that in this district the deferred-payment system would provide an ample opportunity for poor men or men with very little means to get on the land and to ultimately become successful settlers. In respect to residence conditions, I think that in a district such as this they ought to be considerably relaxed. I hold very strongly that there are numbers of men in business with the necessary capital to take up land and gradually improve it, and who would ultimately reside on it and become useful settlers if they were allowed to do so without personal residence being enforced within, say, ten years. During the time the necessary improvements are being made, of course any practical man knows that it is necessary to have some one residing on the land, but I see no reason why, under certain circumstances, personal residence should be compulsory. There are a great number of people who have the necessary experience who will be glad of the opportunity to do the work and find the necessary money themselves if they were allowed to take the place in a certain number of years. That ought to be sufficient for all requirements. By that means I consider a very great extent of country that is likely to lie idle for many years to come would be brought into occupation, and our natural products would be greatly increased and the State as a whole would be benefited as well as the individual. With regard to the ballot, I think that, all things considered, while no doubt there are certain disappointments, if the system were altered somewhat along the lines of giving a preference at future ballots or examining applicants, the system could be perfected. At any rate I think it is better than reverting to sale by auction or otherwise. As a practical farmer and a man who mingles a great deal with the settlers, I think that there are very few cases where an increment has occurred that it has not been earned. In this district, at any rate, there is no such thing as an unearned increment. With regard to the question of allowing the present holders of lease in perpetuity to have the option of the freehold, I think there is only one just way of dealing with that, and that is to give those men their leaseholds at the price put on by the Government at the time plus the 1 per cent. which has been the difference between their tenure and the other tenures. With regard to the land for settlements, I have already said that I think the principle of the freehold ought to be recognised there and that these men ought to have the opportunity of acquiring with the necessary conditions, because my opinion is that if the freehold is a right thing for the lease-in-perpetuity holder it is a right thing for the man under the Land for Settlements Act. A considerable amount of evidence has been given on the question of loading, but in no case have I seen the amounts put on the land for loading given. I thoroughly approve of the land being loaded for the purpose of making roads before people are asked to go on the land. It is the utterest nonsense to send settlement ahead of roads. There is one very strong argument that I think ought to apply in regard to the granting of the freehold, and that is the amount of interest held by the State is so small in proportion to that held by the tenant that it seems nonsensical not to give the right to the tenant to buy out that interest on a small section. I think two of my own sections are loaded to the extent of 15s. or 16s. I am not absolutely positive, although I have very great reason to believe that that is so. I was anxious to get the information some time ago, but the office would not give it to me, evidently believing that that was State information which should not be given outside. If I am right the Commission ought to know that that is so because I think it will be found that in this block I am interested in which was one of the first to which this principle of loading was applied, that the loading was applied that the loading was excessive and altogether out of proportion to the benefit derived by the settlers in the way of roading. I believe that since then several co-operative works have been effected in this district with perfect satisfaction to everybody, but with regard to this particular block I do not think such was the case. I made the same statement to the late Sir John McKenzie on more than one occasion.

160. *Mr. Paul.*] Can you give any instance of what you term Land Board interference?—What I meant when I said that was that there were so many things that had to come before the Land Board that lenders of money naturally fought shy. As a matter of fact financial institutions will not touch lease in perpetuity at all, and that is one reason why it has been depreciated in value, simply because it has not the facilities for borrowing, and I know of one case where a lease-in-perpetuity holder has paid as high as 9 per cent.

161. You do not wish it to be inferred that the Land Board has interfered outside the law?—No. In all my experience tenants have been very well treated by the Land Board and its officers.

162. In the case of the 9 per cent., could the charges be compared with the charges under the Advances to Settlers Department?—I could not tell you.

163. Is it your experience that settlers on these lands must borrow in every instance?—Probably in ninety-nine cases out of every hundred.

164. It was stated in evidence this morning that the Government are now lending up to 50 per cent. of the goodwill as well as of the improvements. Do you think that meets your objection so far as borrowing is concerned?—That all depends on how that is viewed by the other institutions. I have had a good deal to do with assisting neighbours, and I know for an absolute fact that the Advances to Settlers Act has been practically a dead-letter so far as being of any use to the struggling settler. If you take the statistics of the colony you will find that on all classes of leaseholds the State has only advanced £1 to every £5 lent on freehold, and if you take the other tenures on which the institution lends I am afraid that the amount lent to the lease-in-perpetuity men will be found to be a very small sum indeed. The Advances to Settlers Department, which was undoubtedly instituted with the view and intention of helping the poor man, has done nothing of the sort. It has helped the rich man.

165. You think the office has discriminated as against the leaseholders?—I am not prepared to say that, but I know that the facts are as I have stated. Of course, what in my opinion was in a large

measure accountable for it was the very low value placed by the Government valuers on the improvements of these back-block men. If it is the case that the selling-value is now to be recognised up to 50 per cent., but why it should be 50 per cent. and not 75 per cent. as in freehold I cannot understand; but even 50 per cent. will be a great benefit to many men.

166. You think it is safe for the State to advance up to 75 per cent.?—Absolutely safe.

167. Have you had personal knowledge of the settlement conditions under the land-for-settlements policy in the South Island?—No, my experience is entirely confined to the North Island.

168. Why do you think the freehold is a much more valuable tenure for these men?—Because if that tenure is given them it would entirely do away with the disabilities under which the lease-in-perpetuity settlers hold their land at present.

169. On what terms?—I would allow them to purchase at the original price plus the 1 per cent. they have been paying less than the man who took land up under cash or with the right of purchase.

170. Do you know what percentage the tenants under the land-for-settlements policy are paying?—5 per cent.

171. What would you charge him for the option, then?—I do not see that there is any use in charging him any more. If the land has been assessed at its full value I see no reason why he should be asked to give any more for it.

172. You would give him something considerable for nothing?—I fail to see that.

173. You admitted in answer to another question that he was getting a much more reasonable tenure, and you propose to give him that for nothing?—No, I say he is getting a better tenure, but only what he is entitled to. That which was his own and is his own has been reduced in value, not only by agitation, but also by the threatened Fair Rent Bill, which was introduced into Parliament by the present Government. Ever since that Bill was brought into the House I have felt that the value of the lease in perpetuity was depreciated more than it had any right to be because it raised the question of revaluation.

174. You say emphatically that the tenant, if he gets the option of the freehold, is getting no more than he has a right to at present?—He is getting no more than he has a right to at present.

175. Can a tenant under the Land Act of 1892 on Crown lands get more than he is entitled to if he gets the option?—I do not think so.

176. You are going to ask him to pay 1 per cent. extra?—That is only fair, because if he took it up under other tenures he would have been paying 5 per cent.

177. You are now giving an opinion on conditions of settlement, that you have had no opportunity of inspecting or judging, and yet you say the tenants will get nothing more than what they have a right to?—I have told you that I have had no experience under the Land for Settlements Act, but if the freehold tenure is good for one man, and a right tenure, it is good for the other. So far as the actual conditions under that tenure are concerned I have no experience.

178. Do you propose to limit the area of freehold one man can own?—I think in the interests of the general body of the people the aggregation of estates requires to be guarded against.

179. Can you fix a limit, either by value or area?—I take it that the restriction under the present Land Act would be a fair limit—640 acres of first-class land and 2,000 acres of second-class land.

180. You know that in these settlements which contain first-class land there are perhaps six families on 640 acres, and they are prosperous and doing well. You would see no wrong if the freehold was given in that 640 acres being turned into one farm?—That of course in a large measure depends on the quality of the land, and I think as years go on and population increases, that will remedy itself. In this district there are instances of men cutting up their places.

181. The State has remedied it to a great extent?—Certainly, to some extent.

182. And at an enormous cost?—I am not prepared to go into that.

183. *Mr. Johnston.*] How do you account for the fact that when Cheviot was first offered, every second section was for sale but only two were taken up?—I cannot reply to that without local knowledge.

184. The leaseholds were taken up and the freeholds were not?—That might be accounted for by the fact that the people wanted their money for the purpose of stocking their farms.

185. What would be the value of your property if it was freehold?—That is the question I am not prepared to answer, for my idea of valuation and that of the Government valuers might be two different things.

186. What would you take for it if it was put on the market?—I have spent twelve years of my life there, and done a lot of hard work, and have made the place my home, and am not prepared to say what I would take for it, seeing that I do not want to sell.

187. Would you want £20 an acre?—No, I would be glad to get £10 an acre, provided I wanted to sell. The original cost of that block I believe was very high, and out of all proportion to its real value, and a good many of the sections were surrendered and revalued, and it was at that time that the trouble of the excessive loading was brought to light. There was one case of a loading of 15s. an acre put on to land of an actual value of 10s. an acre. No one can reasonably complain of paying interest on 10s., which represents the land value, but it surely is an unfair thing that a man should be asked to pay interest on the 15s., when the amount would liquidate itself in forty-two years at the outside; he should not be asked to go on paying that interest for 999 years.

188. What was the original value represented at?—£1 5s. an acre, including loading.

189. What would be the carrying capacity?—Three sheep to the acre.

190. Are the settlers on the Government lands, generally speaking, successful?—Yes, under ordinary circumstances, unless in cases further back where the conditions are not so favourable.

191. They are capable of making a living?—Yes, when the men are good men.

192. Are you a member of a Road Board or a County Council?—I have been for many years.

193. Are you a member of the Farmers' Union?—Yes.

194. Are you president for this district?—Yes.

195. Are you representing them here to-day?—Yes, I am. I was appointed by the executive some time ago to attend the Commission and give evidence.

196. Are you representing a section of the community?—I am representing a very large number. I think I can claim to represent the views of the province in this far, that I was appointed by the provincial executive to give evidence, and, being president, I can speak of the feelings of the people in this direction.

197. How many farmers would you represent?—One thousand five hundred.

198. How far does the district extend?—From Patea to Awakino.

199. *Mr. McCutchan.*] When farmers have to make their own roads, they get a loan through the Council under the Government Loans to Local Bodies Act, and under one rate of interest that the loan is liquidated in twenty-five years, and under another rate in forty-one years. Do you think that the loading for roads on Government sections should in a like manner cease at the end of twenty-five or forty-one years?—Undoubtedly.

200. It is the case in connection with these lands in this district that a third from the rents goes to the local bodies, and also that 25 per cent. of the revenue goes to the New Plymouth Harbour Board. Except in the case of cash lands, no part of the money goes to the New Plymouth Harbour Board. The areas sold for cash in these blocks is small compared with the area leased?—That is so.

201. Therefore, roughly speaking, no part of capital value goes to the local body. In addition to the expense that the State goes to in the purchase of these lands, we have to add on survey fees and grants, but practically the whole of the loading for roading has been provided by the settlers?—Yes, and even more. In this particular block I am interested in, a heavy loading was put on the land, the money was spent, and we still have no road, and the result was that as settlers we had to go to the County Council and borrow £3,000 to put that road in anything like a passable condition. So that we have not only got this excessive loading to pay for all time, but we have got a further mortgage on our properties to liquidate the loan, and, in addition, pay a heavy ordinary rate to keep the roads open.

202. In regard to grants, it is very difficult to get at the statistics on the matter, but notwithstanding the increased revenue and the general prosperity in the last twenty years, the total amount of grants has fallen from £352,000 to £168,000. Does it not follow from that fact that this back country is inadequately treated in comparison with the time when grants were largely in excess of what they are now?—That is so. There is a large amount of ignorance prevailing in regard to the back blocks. The distance from centres and the quality of the land should have deserved consideration of an entirely different character.

203. Do you think the Government would be justified in inaugurating a substantial borrowing policy with a view of roading this country and providing the requisite transit-facilities in order that the work of the settlers might go on without being seriously handicapped, always stipulating, of course, that great care should be exercised in the expenditure of the money?—Provided there is proper supervision. On that point, I may say that, while I believe in most cases there has been fair supervision and fair attention in regard to the expenditure recently, I feel very strongly that a better system could be inaugurated than what is in operation at present. I am satisfied that better results could be got if the expenditure of the grants was put into the hands of the local bodies. In place of so many doles of grants—which are sometimes granted under political pressure—I think it would be an improvement if there was a system of graduated land grant, according to the amount of which people rate themselves. Of course, there are circumstances under which there would be necessity for a grant over and above.

204. *Mr. Anstey.*] You said that you thought the loading upon land should cease after a man had paid 5 per cent. for twenty-five years. Do you not think that the settlers under the Land for Settlements Act who are paying 5 per cent upon the cost of the land, after having paid their rents for twenty-five years, should not get their lands without further payment?—No.

205. It is on the same principal is it not?—No, the Government borrowed a certain amount of money to road the land.

206. They borrowed in both cases?—There is a material difference. In one case, that for which the money was borrowed (the land) remains, but the roads do not remain. Before half the period has elapsed, we will have to find another loan for those roads.

207. The settler, after paying 5 per cent. as his rent, has recouped both the principal and interest in twenty-five years, and if it is right that the loading for roads should cease at the end of that period, it is not right that his rent should also cease?—You are assuming that the 5 per cent. for rent includes principal and interest.

208. No, I do not. I say in both cases?—If it does not include principal and interest there is no comparison at all. There was no sinking fund ever intended in regard to the land taken from the Crown.

209. The money was borrowed at the same price in both cases?—Probably so, but I do not think the principle is the same by any means.

210. *Mr. Johnston.*] How many Government leaseholders are members of the Farmers' Union?—That is a poser; but this I know, that a very large number of leaseholders signed the petition here, but I cannot give you figures. In the lists of the Farmers' Union we have men under all tenures. It would be impossible to give the information you require.

211. How many leaseholders who signed the petition are members of the Farmers' Union?—That I could not tell you, because a good many who are not members of the Farmers' Union also signed the petition.

212. Were three-fourths members of the Farmers' Union?—There is nothing to guide us in that, and I could not say. It was entirely treated as a tenants' question, and not as a Farmers' Union question.

213. It did not originate with the Government tenants, did it?—I understand so.

214. Why did you take up the lease in perpetuity when you are opposed to it?—For the reasons stated in my evidence that I, along with many others, who had given the question considerable consideration, believed it was a freehold to all intents and purposes, and it never entered our minds that there would be any doubts raised for hundreds of years at any rate, and yet, after only a few years, the whole thing is shown to be unstable and unreliable. We would not have changed our opinions if the conditions had not changed.

215. If you had a definite assurance that there would be no interference whatever, you would be perfectly satisfied with the lease in perpetuity?—Yes, if we were perfectly assured that all our improvements would be retained fully to us.

216. *Mr. Paul.*] If there was an agitation got up to-morrow for land-nationalisation, would that shake your faith in the freehold?—I do not know that it would not, because what is an agitation to-day we very often find is the legislation of to-morrow, and it would very likely come to this, that if such an agitation assumed gigantic proportions, then, of course, the freehold would not be safe. But of all the tenures we have now, we know that the freehold is the most acceptable, and we will stick to it until we get something better.

217. Does not it take more than an agitation to accomplish reforms or change in this country?—My experience, after close observation of recent years, has been that a small agitation has sometimes resulted in a mighty change in the legislation.

218. Would you include an agitation for the freehold by the Farmers' Union?—No, I am referring to agitations of recent years.

219. Can any agitation ever be successful unless justice underlies the demands?—Certainly not; and it is because we are satisfied, that justice is on our side, that we stand for it. It is not a question of theory with us, but of practical experience.

220. You are perfectly satisfied that no agitation can be successful unless justice underlies the demands. Do you think it would be just to revalue existing leases?—Certainly not.

221. Then you are quite sure that no agitation to interfere with that lease can be successful?—I do not go as far as that. It is hard to say what might be successful, but it might only be for a time. It is not what might ultimately be done, but it is the effect that the unsettled state of things has on our property.

222. Why do the mortgage companies favour freehold?—Because it is the best form of tenure.

223. And one on which they can get their hands on afterwards?—Very likely.

HARRY CAMPBELL examined.

224. *The Chairman.*] What are you?—I am a labourer, and attend here as a delegate representing fifty men belonging to the Independent Political Labour League of New Zealand. I reside at Midhirst, and have been twelve months in the district. I hold no land whatever. I am strongly opposed to granting the freehold. I think it is in the interests of the country that the present leasehold tenure should not be altered. I understand we have nearly 8,000,000 acres of Crown land, and I hope to see that land leased to people, and under no condition allow them to secure the freehold of it. I hope to see that land return to this country a fair amount of revenue. There are many farmers in this district leasing land from private landlords who are far worse off than those occupying Crown land; and if all the Crown land were sold such a thing might happen with the private tenants, and they would be worse off under private landlords than under the Crown. Roads should be made into Crown lands before they are open for selection, and the men who go on to the Crown lands should be given preference of employment in public works. If the law is to be altered to give Crown tenants the right of purchase, both private tenants and tenants of local bodies should have the same right. I am in favour of revaluing all lands which are alienated in the future. In the case of those far back, I think the Government should give their tenants at least ten years free of rent to encourage settlement, afterwards revaluing the holdings at ten-year periods. I am opposed to making the revaluation retrospective—it is the policy of the party that I am firstly opposed to it.

225. Supposing you had 100 acres of land freehold, and supposing there was no right of purchase in the case of a part of that block that you had let to a tenant, and supposing he came to you and said he would pay you for the freehold: how would you treat him?—If the law is altered for the Crown tenants it should be altered for the others also.

226. I mean so that you would be compelled, whether you liked it or not, to sell your land to the lessee?—The law would have to apply to everybody.

227. *Mr. Paul.*] With reference to revaluation: were you present at a conference which considered this question at Easter?—Yes.

228. Was there a resolution carried on the question?—Yes; I strongly opposed it, but it was carried by a bare majority at the conference of labour delegates.

229. From what you know of the party, do you think it is likely to be retained?—No. I think the revaluation clause in our land reform will be wiped out at the next conference so far as retrospective action is concerned. Why the feeling of those who oppose it is so strong that, had it been advocated before the workers strongly, they would not have sent delegates to vote in such a direction.

230. Do you think it was not properly considered?—I do not.

231. You advocate giving the tenants ten years' free rent on heavy bush land?—Yes; on the present Crown lands, but not on lands which have been bought for closer settlement.

232. Then at the end of that time you would revalue the lands?—Yes.

233. You would not revalue the tenants' improvements?—No. It would be very unfair to revalue improvements. Only the unearned increment should be revalued. We have a railway say, or a road, and very often, as the result of making that railway or road, land which is only worth £1 an acre previously is raised to £5—that is unearned increment.

234. You make that statement with a knowledge that the settlers in this district contribute to the consolidated revenue and share the responsibility of the borrowed money?—Certainly.

235. Several witnesses advocate the restricting of the freehold. If that is done will not that be undermining the principle of freehold?—It is not freehold once restrictions are placed on the area a man shall hold and as to what he should do with it.

236. Do you think the unrestricted freehold should be granted?—I do not. That would be against the present system of buying land for closer settlement.

237. *Mr. Anstey.*] You have no land at all?—No.

238. Do you live in a rented house?—Yes.

239. Would it not be better if you had a house of your own?—I do not require one. I am not a married man.

240. Supposing you were?—Decidedly it would be, if on land leased from the Crown.

241. Would you not rather have it on a bit of freehold?—I think the land leased from the Crown would be just as satisfactory as the freehold.

242. Would you be perfectly satisfied to build your house on ground leased from the Government?—Yes.

243. Would it be preferable to having it on your own land?—I do not say it would be preferable; but I look at this question from the national point of view and not from the individual.

244. From a selfish point of view you think the freehold is the best?—Yes; as a man likes the freehold because he can sell it.

245. Is it not a part of your objection to freehold that you wish to secure the unearned increment for the State?—Yes.

246. You say you have no objection to the lease in perpetuity: does it secure the unearned increment to the State?—I do not think the existing lease does.

247. In order to secure what you want the lease in perpetuity is unsuitable?—No; but I propose to revalue those who take up Crown lands in the future.

248. You are quite certain you would not touch existing leases?—Positively.

249. Is it not the fact that the majority of the conference in Wellington was more than two to one?—I am certain. I think it was carried by two at a conference of twelve delegates.

250. Not by three to seven?—I am not positive; but I do not think so. I cannot recollect the voting on all occasions as we had a great deal of business to put through.

251. Do you know anything about workmen's homes?—I have not gone into that matter.

252. *Mr. McCutchan.*] This conference in Wellington was representative of the twenty-seven thousand members who belong to the trades and labour unions?—Not at this particular conference which drafted the constitution. At that particular time two conferences were being held in Wellington, and my conference had nothing to do with the Trades and Labour Conference. This resolution was carried at a conference of delegates of the Independent Political Labour League of New Zealand; but I am not aware if it was carried at the other conference, but I cannot swear it was not.

253. Did you vote on the matter?—Yes; and spoke against it. I voted with the minority.

254. Were there any more in the minority than another and yourself?—I think there were at least four.

255. It is extraordinary that on a matter of vital importance you cannot remember how the voting went?—We passed eighteen resolutions of vital importance.

256. How would you get at the unearned increment which you say you would revalue?—If this railway, which has been constructed to Whangamomona, increases the value of the land from £1 to £5, that £4 is unearned increment, and the taxpayers have to pay interest on the cost of constructing that line.

257. To get at that there would have to be a valuation: how would you get at it?—I propose that the roads and railways should be put in before the land was opened.

259. I am not speaking about that, but taking the Crown tenants leases as they are?—I do not propose to make it retrospective, but only to Crown lands that are to be settled in the future.

260. You said the unearned increment should be applied to the people now occupying it. Supposing a man is in occupation of a piece of land for seven years, how would you assess the value?—The improvements he effected upon the land belong to himself.

261. How would you get at their value?—The improvements are valued at the present time, and it is easy for a competent man to value them as improvements are valued in the cities.

262. Is it not the fact that the unimproved value is going up all over the district at the expense of tenants' improvements?—I do not know.

263. Have you had any experience of that particular matter yourself?—I have had many years experience of land-settlement; and, in the case of the land I occupied, it was very easy for any valuer to value the improvements at the end of ten years.

264. Is it possible for any man to go into the standing bush, value the land, and ten years' subsequently to accurately estimate the improvements put on the land during that term by the tenant?—Certainly he can, if he has any knowledge of the work.

265. With reference to this unimproved value, how would you arrive at the improvements the tenant puts on outside his ring-fence?—I do not think men put on any improvements outside their land.

266. Surely it is evident, if the local bodies have spent £9,000,000 of money in public works, that that has given an increased value to the land?—I do not know what the expenditure has been.

267. The settlers here have spent a loan of £200,000 on the New Plymouth Breakwater. Has not that expenditure increased the value of their land?—That is a bad system. Those improvements should be effected out of the revenue of the country.

268. With reference to the dairy factories and creameries established all over the district at a cost of many thousands of pounds: you do not find them amongst tenants' improvements, and yet it adds to what you call the unimproved value of the land, and, therefore, the unearned increment. How would you assess that?—The people who have spent the money in building those factories have a good investment.

269. And secured the unearned increment to the State?—That does not increase the unearned increment.

270. It increases the goodwill and does not bear on the tenants' improvements, and therefore it would not come within the scope of the assessor's valuation; and yet you claim that it belongs to the State as unearned increment?—I am not aware that that has very much improved the national estate.

271. I thought you started out on the supposition that you understood the question?—Thank you, I think I am doing so.

MRS. DOUGHERTY examined.

272. *The Chairman.*] What are you?—I am a member of the Taranaki Education Board, and vice-president of the Taranaki Liberal Federation. My family earn their living by dairying. I have 300 acres lease in perpetuity on the East Road, four miles from Toko. I have held it over a year, and on 113 acres I pay 10s. 4d. an acre, and on 194 acres 11s. 6d. an acre. In addition I pay £40 a year for the buildings. I pay £105 10s. 6d. a half-year, or £211 1s. a year.

273. What do you want to bring before the Commission?—With regard to the constitution of Land Boards, I think they are simply perfection, and the constitution cannot be bettered. The members of the Taranaki Land Board are excellently suited for their position, and both the present and late Commissioners are excellent men for the position. All the members should be nominated by the Government, but there ought to be two Crown tenants on the Board if possible, to keep it in touch with the Government. I think that if there were twenty elections you could not get better men on the Taranaki Land Board than we have. With regard to the lease-in-perpetuity tenure, I think all the land should be bought by the Crown, and then leased to tenants without revaluation. There is a provision in Ireland called "the Ulster tenant-right," which would meet our case. Under that provision the tenant could not sell the freehold, but could sell his tenant-right—that is, all his improvements—and there was never any trouble under the lease. I think that the idea of revaluation must have been satanic suggestions, because no sensible person would ever suggest that a man should be punished for his hard work. The chief difficulty with the lease in perpetuity is that of financing. I think the Government should make the lease-in-perpetuity holders independent of those lenders who do not think the lease is of any value as a security. The Government seem to think the same, and in some cases they will not lend on it, so that the lease-in-perpetuity holders are between the devil and the deep sea. On our land we have to pay £24 in rates and insurance during a little over a year, but the freeholders have their land on much better and cheaper terms. If it were possible, I should like our place revalued by some practical men. The small section is much better land than the larger one. On the section where the homestead is the land is very poor, and the dairy herd does not do so well as it does on the small section.

274. Did you not know your land was poor when you took it up?—We had not seen it before, but my husband thought the land was good, and the Commissioner suggested that we should apply for the small section as well, and had it not been for taking that section up we should have been starved out long ago, because we went and lived on the homestead section and paid the rent. We are all practical people, my husband is a good manager, has a good idea of land-values, but he says no person can pay the rent of that place and live. We have lost one hundred pounds' worth of cattle through accident. It is suitable for a dairy-farm, but too expensive for a sheep farm. The timber on the section was valued as £91 11s., which ought to have gone to our credit, but it has all been cut out and £10 is all we have been allowed.

275. *Mr. Paul.*] When you said revaluation was a suggestion from his Satanic majesty, you meant as far as retrospective action was concerned?—I think it would not be right that one should be punished for working hard, and have to pay for what they have earned through the medium of retrospective action in the future. I do not like it from my own point of view, but I think of everyone in general.

276. You say your rent is too high?—Yes; we have proved it so.

277. Is it not the only equitable method of adjusting rents by a system of periodical revaluation, which, in your case, would have the effect of reducing your rent, and perhaps in some other cases of increasing the rent?—Yes; but it would require to be done by very special experts on the question.

278. Do you not think that would be an equitable principle to apply, leaving out the question of any interference with present leases?—It is difficult to foretell the future, but it seems to me not to be a fair idea.

278A. Is it not fair in the event of land-values being increased by public works that there should be an increase in rent, simply because the tenant is then able to pay?—I think the Crown should stick to their bargain, and any agreement they have made should be sacred.

279. Do you think the principle of revaluation is equitable?—I would want to consider the question more fully before answering it.

280. We have had it in evidence that monetary institutions will lend to a borrower on a freehold on better terms than on a lease?—That is possible, but I have not had any experience.

281. Are not things generally speaking much higher than they have been for many years?—Not here. Cattle have been unsaleable. Our cattle have been taken to the sales and brought back dozens of times since we went there.

282. Do you think it would be fair for the State to buy land at the owner's valuation plus 10 per cent.?—I suppose that would be fair.

283. *Mr. Anstey.*] You are a member of the Education Board?—Yes.

284. Does your Board hold any land as endowments?—A good bit. We lease them. The School Commissioners manage that matter.

285. Do you know the terms of their lease to your tenants?—No.

286. In regard to the disabilities of married women: you are aware that a married woman under the Land for Settlements Act is not allowed to hold more than 320 acres. What is your view of that question?—I think that ought to be repealed. It is absurd, seeing that all have now equal rights.

287. Do you think your farm ought to be revalued?—I would like some practical men to revalue it.

288. I presume you are aware that if you pay your rent promptly you are entitled to a rebate of 10 per cent. Do you think it would be a better plan for the Government to make a 10 per cent. rebate to all tenants under the Land for Settlements Act, instead of making special rebates in cases where the rents are too high?—Where the rents are too high there should be a rebate.

289. Is there any necessity to do so where the rents are too low?—I have not met that case.

290. Have you heard of tenants selling out their goodwill of small farms and making £2,000 or £3,000 on the transaction? In such a case is there any necessity to make a rebate of 10 per cent.?—It is the custom, and habit is second nature, and if they make a rule that they are going to do that, they must stick to their rules.

WILLIAM GEORGE MALONE examined.

291. *The Chairman.*] What are you?—I am a working-man, and, by the way, a solicitor, and also, by the way, a farmer. I have 445 acres of freehold rural land, 54 acres of freehold suburban land, and about 3 acres of town land. It is in this district. I have also, with a partner, 1,300 acres occupation with right of purchase, and 400 acres of lease in perpetuity. I have been twenty-five years in Taranaki. I also held 400 acres deferred payment land with my brother, but do not hold it now.

292. What tenure do you think is best for the settler and the country?—Certainly the freehold.

293. What about the administration of the Land Board?—It is very satisfactory, and the present constitution is a suitable one.

294. Have you had any personal experience of advances to settlers?—I have not personally borrowed money from them, but professionally I have had experience of the Act, as my legal firm are solicitors to the Department here. I think it is a very good measure indeed. I have found that the lease-in-perpetuity holders have had difficulty in raising money from the Crown, but since the inclusion of the tenant's goodwill in the valuation, and the increase of amount from £500 to £1,000 that the Department will lend, I think they will be better satisfied.

295. Is there anything you wish to bring before the Commission?—I try to do my own thinking, and I think our first duty is to see what we are doing in New Zealand in the way of building up a race and nation. Setting aside the individual for the people should be the real object in this colony. We must all agree that the people we want to build up here into a nation should be independent, free, thrifty, sturdy, and clean, both physically and morally. I feel, therefore, that, in order to get an independent people, sturdiness and independence within the country itself must be encouraged. In America they say all the good men come from the country, and undoubtedly we find that from the country you get the very best men in every respect. That being so, it seems to me that we must, as it were, endeavour to start with countrymen right through. We will leave out the question of the townsmen necessary to carry on certain businesses of the country. We must therefore have every one in the community, as far as possible, occupying land and using it. When we get that far, we must consider how we shall induce people to take up the land. That brings up the question of tenure. I know the tenures of this colony, and I say at once that the freehold is the best. And, when I speak so emphatically about the freehold, it is not merely from sentiment. I feel confident that the man who has the freehold has a feeling of independence that no holder of land has under any other tenure; and that makes for the chief ingredient in the character of a nation—namely, independence. The man who is a tenant has not that feeling of independence that the other man has, and therefore we take away from him the chief ingredient of character I would like to see him have. We have here the freehold, the occupation with right of purchase, the lease in perpetuity, and some other tenures. Most Crown lands in Taranaki have of late years been put up on the optional system. Freehold for cash, or occupation with right of purchase, or on lease in perpetuity. I can but think that the very people who claim to put men on the land have forgotten that that system is a class legislation, because the man who has plenty of money can pay his cash and get his freehold; the man who is between the poor man and the rich man can take it up with the occupation with right of purchase; but the poorest man is the only one who is not to have the right of freehold. That is as the law now stands. That is a grave iniquity, and one which the advocates of the lease in perpetuity are really urging. Commercially, to the well-to-do man, and, personally, as far as I am concerned, the tenure does not matter very much, as long as money is at its present worth, but if it falls considerably below 4 per cent. it will matter very materially. But to poor people it matters considerably, especially if they are holders of lease in perpetuity. They are not able to make their land reproductive without money—they have none or very little. They must borrow. I hold rather strong views of what money a man should borrow, and can afford to pay for. I believe that a man can afford to pay even up to 10 per cent. for money to fell and grass standing bush with. I have been ten years in my solicitor's business, and engaged in raising money for these poor people. People are constantly coming to me who have been to lending institutions, and have been refused even consideration of an application for a loan because their tenure was lease in perpetuity. Practically, the whole of the lending institutions refuse to have anything to do with it. Trustees again, as they are situated, cannot look at such securities. We have then this unfortunate individual, the pioneer (who perhaps may be called, if the Chairman will excuse my using the words, a "damned fool" for being a pioneer), debarred from getting money except at high rates. Apart

from the institutions I have mentioned, he has only the outsiders who are called money-lenders to go to if he wants to borrow, and it is felt that undoubtedly a man borrowing on lease in perpetuity must pay up to 8 per cent. for his money. That is a very common rate. Thus the poor man is compelled at his very first step to take up that class of land, because he is poor, and then, because he is poor, he has to borrow money, and so is handicapped very heavily. I believe in restricting the area that the individual should be able to take up as a freehold. I believe he should not be allowed to calmly take it up and let it remain idle, while his energetic neighbours improve his property. I believe, either by himself, or by some person representing himself, there should be residence, so that the district should not be kept back by the non-residence of some. I do not care if it is the man who owns the land, or a competent person living there with his wife and family who does the work for him, so long as we have a visible and actual occupation. I think, therefore, that the men who want the freehold should be allowed to take up the land on that system, or with the right to the freehold, subject to residential and improvement conditions. With regard to the objections of people in the cities to the granting of the freehold, I have heard some of these objections, and I think that a number of people say that the land should belong to the State—the State should have it. The State is simply a majority of ourselves—that is, the people. I quite agree that the State should have some benefit from the land. To my mind what is contended by some who favour the lease-in-perpetuity system is really an absurdity. The only fruit the State gets from it during its continuance is when money falls below 4 per cent. If it falls to 3 per cent all the State gets is 1 per cent. I believe it has been boldly declared by some people who do not own land that there shall be revaluation, and that it shall be retrospective. We have to consider that we are a nation, and I say if the country is going to set up such an interference as revaluation it will cause trouble and strife, and will not help to make us a happy and contented community; in fact, I am quite sure if that is done it will assist to make us a thrifless people. It stands to reason that if a tenant knows his property is to be revalued from time to time he will try to show as little improvement on his property as he can, and I say that you will be putting a premium on want of thrift, and you will destroy that sturdy spirit and that independence that makes a great people. If it is desired that the burdens of the country should be borne fairly by all the people, that can always be done by means of taxation. If it turns out in the future that the freeholder is getting a benefit and it is desirable that the burdens should be readjusted, there will be no great difficulty in apportioning to him his fair share of the burdens according to the benefit he receives. There is a cry (and it is only a cry), “the land for the people”; there is also another cry, that “the birthright of the people is the land.” It seems to me that the people who makes those cries do not own any land, and would not go on the land even if they were asked to. Without wishing to put any reproach on them it seems to me that townspeople are making this cry of “the land for the people.” They are wise in their own way, but it is a very selfish and narrow wisdom. The selfishness is, perhaps, unwitting, but it is there all the same. Probably, from the point of view of the townspeople, the pioneers of the colony are—excuse me using the phrase—“damned fools.” I, personally, however, look upon the pioneers as being heroes—greater heroes than men who simply perform some single act of bravery. I say that those men who go into the forest and back country with their wives and families and hew out homes for themselves, and live there their lifetime are true heroes. The men in the towns generation after generation are becoming less fit members of the nation. Life in the towns does not conduce to that sturdiness of mind, body, and even soul, which we desire to see in a nation. I think that after looking at both sides of the question, one must come to the conclusion that the freehold is the only tenure for such a country as this. If we are to encourage a country life we must see that the conditions of that life are favourable. In regard to the question of road-making and railways, no party in New Zealand up to the present time has tackled that matter properly. We have heard for many years that the land question and the road question are the paramount questions of the hour, but in the past the money that has been voted for this work has only been expended in dribs and drabs. Only thirteen miles of railway have been made on a railway-line running from Stratford inland, and it has taken many years for that small section to be made. Settlement has gone into the country far in advance of the railway. In my opinion, prior to the opening-up of land, the Government ought to road the land. That brings us to the question of whether that should be done by way of loading the land, or by subsidies, or by an absolute grant. I am not prepared to say more than this, that I think the system of Government grants is a vicious one. My experience has been, and, I am sorry to say, it has been common to say, “it is near election-time and now is the time to ask for grants for public works.” Although that is often said as a joke, still I think the system of grants is a vicious one. Those people who are most persistent and those who have most political influence get greater benefits under this system than those who are more modest and retiring and those who have less influence. I think there should be a general principle governing expenditure, and applying throughout the whole colony, and it should be independent of political influence. In my opinion, I think this might be adopted: some form of subsidy in proportion to the amount of rating in the pound that people are prepared to put on themselves. I think that would work reasonably fairly. It is a large question, and one that I do not want to be at all dogmatic upon, but I think some system of subsidies would work out better than the present system. With respect to loading, I do not think it is just to put on to the land the whole of the cost of making the roads, or even a considerable part of it. Other parts of the colony derive benefits from settlement of the land, and they should bear a portion of the cost of roading. In reference to the ballot, I really do not see that there is any better system to adopt. I think it is a most vicious system that intending settlers should bid at auction against each other for sections, and thus be tempted to give more than the fair value of the land. If it could be secured that *bona fide* settlers should get the land it would be a good thing. As to the aggregation of estates and the right of resuming land, I certainly think that when there is not enough land to divide among the people, those who have large areas must give some of their land up to the State for settlement on fair terms.

I think that any man who makes idle land reproductive should be regarded as a good settler. I am not, however, in favour of any aggregation of land that would prevent those who want to get on the land securing a section.

296. *Mr. Paul.*] What is your opinion with reference to the present constitution of Land Boards? I think it is satisfactory. I have had a good deal of experience of the Land Board of this district and I have always found it fair and reasonable.

297. Leaving out the bush land, has there been an increase in land values at Stratford—that is, during the last five years?—There was an increase up to about a year ago but values have gone down a little since that time.

298. What has been the increase in the price of land during a period of ten years?—It has probably doubled in value in ten years.

299. Can you say whether the cost of procuring a loan under the advances-to-settlers system is more or is it less than the cost of getting a loan from private lenders?—It is very much cheaper to get a loan from the Advances to Settlers Office.

300. Is it a fact that the Government sweat their solicitor in his work in connection with granting loans to settlers?—They cut us down pretty closely, but I would not say that it is sweating. We are not obliged to do the work unless we like.

301. You think the settler has nothing to complain of with respect to the legal charges?—Certainly not. If the settler has had any experience of the two systems he ought to think he is not charged at all, practically, under the advances-to-settlers system.

302. You spoke in favour of the poor man, but in the case of a cash purchaser you propose to allow him to put a substitute on his land, and thus you will allow a man to live in a city and send out a substitute to live on his land?—I did not propose to encourage it. I said that I thought he should be allowed to do so.

303. Do you think it would conduce to successful settlement if such a system were adopted?—Yes, I do. In the interests of settlement I think there should be a mixing of people with means and those with small means or no means.

304. Is it not an absurdity to send any man into the bush without means of access to his land?—Some people have been heroic enough to go into the bush country and take up land without means of access to it. I think the Government should make the roads before the land is thrown open.

305. Do you not think that roads should precede settlement?—Undoubtedly.

306. Which man do you think is better off at the end of his days—the pioneer settler or the wage-earner in the city?—It depends, of course, on whether a man is living for the time or is living for the future. The wage-earner is living for the time, and a very good time he has compared to the pioneer. The pioneer is living for the future. Among my own friends I have heard them say that they question whether the shepherds are not really better off than they are themselves. In most cases the employee gets his wages regularly and he does not work long hours compared with those often of the employer.

307. *Mr. Anstey.*] You say that one of the difficulties of the lease-in-perpetuity settler is his inability to finance under it?—Yes.

308. Do you not think that these difficulties could be removed?—I do not think so. The money-lender is a very shy animal.

309. Is it not a fact that the money-lender has no right of foreclosure before obtaining the consent of the Minister?—In New Zealand you cannot foreclose. You have to sell and the matter has to go before the Land Board. I know of some cases where tenants have been behind with their rents, and the Board has recognised that they could not get on without borrowing, and they have given these tenants plenty of time in which to pay their rents. That has removed this difficulty, and, without that arrangement, no money would have been lent at all.

310. Can you suggest any further improvement with respect to getting money advanced on land?—Yes, give the holders the right to obtain the freehold.

311. Is that the only remedy?—I think so.

312. Can you suggest anything which would place the lease in perpetuity as an investment on a par with Education Board leases, for instance?—No.

313. You are in favour of the existing lease-in-perpetuity tenants having the right to acquire the freehold?—Yes, I think every one should have the right of getting the freehold.

314. What do you think of the proposal of the labour unions to introduce a revaluation clause in respect to existing leases?—I think it is an utterly monstrous proposition. My idea is that there should be only one tenure throughout the colony, and that the State should get its fruits from the land by way of taxation.

315. Are you aware that there are twenty-nine different forms of tenure in the Auckland Provincial District alone?—I know there are very many.

316. Do you think that tenants of education leases should also have the right of acquiring the freehold?—It is a question whether that is public land. I do not think it is looked upon as State land. It is regarded as being State land set apart for a certain purpose under certain trusts, and you have to be very careful how you deal with trust property of that sort.

317. Would you propose to give the holders of lease-in-perpetuity land the right to the freehold?—Yes.

318. At the original value?—Yes. Those men have borne all the heat and burden of the day, and if there has been a general rise in the value of land there is no doubt a good deal of it is due to their own energy.

319. Would that not mean that the best sections would be taken up and the poorer sections be left on the hands of the State, and, if so, do you think the State should bear the loss?—Yes.

320. You think that in the case of the State buying the land too dear and having to sell it at a lower figure that the State must face the loss?—Yes.

321. In the case of the Government buying the land cheap and being able to sell it at a higher price should not the State reap the profit?—I do not know that the unimproved value is any more than it was originally.

322. *Mr. Johnston.*] Would you approve of lease-in-perpetuity land being revalued every fifty years?—Not at all. I do not believe in it being revalued at all.

323. If you do not believe in it being revalued you might just as well give the freehold?—Yes.

324. Have you not known of large areas of land having fallen into the hands of mortgagees and thus become a detriment to settlement?—Yes, but holdings are small in this district.

325. But the same thing might happen in regard to small holdings?—I have not heard of such instances.

326. Have you ever known the Government to reduce rents during the currency of a lease when times were bad?—No.

327. Have you not heard of the reductions in rents after the great snow-storm in the south in 1903?—I do not remember that.

328. You know that a large percentage of the farmers in this district will have to borrow outside if they were to get the freehold?—Yes, a great many.

329. As a solicitor do you prepare a mortgage for a private individual from a private money-lender at the same rate as you charge for a loan obtained from the Advances to Settlers Department?—Certainly not.

330. Would it cost three times as much?—Four or five times as much.

331. Then the Advances to Settlers Act has reduced the cost of mortgages?—Yes, it has reduced the cost of borrowing money.

332. Have you had many transfers under the lease in perpetuity?—A fair proportion.

333. Are these transfers to the advantage of the settler?—That is rather a delicate question which I, as a solicitor to the parties, would prefer not to answer.

334. You say that revaluation would cause annoyance and strife?—Yes, I think so.

335. How is it that it has not caused strife in the South Island in connection with the reletting of the big runs?—I think if it was a common thing it would cause trouble and strife.

336. Have you had any experience of land under the Land for Settlements Act?—Not personally.

337. *Mr. McCutchan.*] Do you think it is a crime for Crown tenants under the Land for Settlements Act who have a goodwill to have the advantage of that goodwill: do you see why Crown tenants should not in that respect have equal advantages with freeholders?—I see no reason whatever.

338. This question was put to you: that under the Land for Settlements Act the best land would be taken up and the poor land would be left on the hands of the Government?—Yes.

339. Would the State be in a worse position than they were before as regards the property?—I do not think so. I take it they got the original price which was paid for the land, and if there was any loss of course that must be borne because there must be losses in every business.

340. Since the State made the mistake in the original leases, should not the State bear the brunt of any loss that would arise?—Yes, that occurs in every business.

341. Do you think in the case of properties held under leasehold tenure when they come to be handed down, say, from father to son, there should be any restrictions placed over the wills of the deceased persons?—I do not think a person ought to be allowed by his will to contravert the law of the land. If a man by his will proposed to do something against the land laws of the country he should have no right to do so.

342. We will suppose that under the law of the land there are no restrictions as to the manner in which I may bequeath a property in which I have a greater interest, and the State has a small interest over the upset price: do you think any restrictions should be imposed when none exist now?—No.

343. Then putting it the reverse way you think the restrictions should be removed?—I think so.

344. You approve of residence conditions in connection with cash sales?—I do.

345. Subject to the qualification that a man may put some one else on the land in his place?—Yes.

346. Do you not think that land speculation would creep in under such a system?—I am afraid you cannot eliminate speculation altogether.

347. But in framing land laws is it not wise to eliminate speculation merely for gain without the land being made reproductive by the person taking it up?—There must be compulsory improvements. I think if a man makes his land produce all it will produce I cannot see how you can say that he is not a *bona fide* settler. The land is made reproductive, and there is a man with a family on the land, and therefore I think that in such a case the person who takes up that land is a *bona fide* settler, although he himself is not residing on the land for the time being.

348. *Mr. Paul.*] With reference to these improved estates, you propose to give the tenants the option of the freehold under the Land for Settlements Act?—Yes.

349. At 5 per cent. on the capital value at the original valuation?—Yes.

350. You propose to give these settlers a more valuable tenure and charge them nothing for it?—I do not agree that it is more valuable.

351. You have been telling us during the past hour that the freehold is manifestly a superior tenure to the leasehold: do you mean valuable from an £-s.-d. point of view or from the point of view of

the State and the building-up of a sturdy independent people?—I am not going into the matter from an £-s.-d. point of view.

352. I am afraid the tenants will look at it from an £-s.-d. point of view?—It is a pity all the same.

353. *The Chairman.*] Supposing two properties of equal value were put on the market—one under the lease in perpetuity and one under the occupation with right of purchase—which of the two would bring the higher price?—I think the occupation with right of purchase would because in my opinion the majority of people prefer the freehold.

354. *Mr. Paul.*] Then, you admit you are going to give these tenants a more valuable tenure, so far as £ s. d. is concerned?—I suppose that is so. I see no reason why you should not.

355. Following up the point as to the best sections being taken up and the worst sections being left on the hands of the State, you think it would be right that the State should bear the loss where there is a loss?—Yes, because I am not looking at it from that point of view.

356. There will be a loss. Do you not think a fair way, seeing that you propose a general readjustment and alteration of the conditions of tenure, would be this: that the whole thing should be revalued, and the State protected against loss?—I think it would be a difficult thing to do. It is a great pity that from the beginning there was not some such constitution as I have been endeavouring to represent.

357. It is a pity that you and I did not land in New Zealand at the first?—Yes, perhaps so.

358. Take the Cheviot Estate. There is a large profit being made on it annually by the State, and the people are doing well. The Government propose to construct a railway to Cheviot. That will increase the price of the land, and, in that case, the State will be giving the tenants a more valuable tenure. Do you not think the State should be reimbursed in any way?—Yes, I think when the State wants more money to carry on the administration of the country they will tax these people more.

359. You do not mean that the settlers of Cheviot will be taxed more than the settlers in other parts of the colony?—They will all be treated proportionately in the same way.

360. You can therefore see that the settlers of Cheviot have practically got a bonus of several hundred pounds in each case, and that they are in a much better position than the settlers in Taranaki, for instance?—Yes, but I take it these people will be taxed more than the people of Taranaki.

361. I think that would be a more difficult thing to do than what you propose?—I think they can well afford to pay the extra taxation, and they ought to be taxed in proportion to the benefit they receive

JAMES JEKEN ELWIN examined.

362. *The Chairman.*] What are you?—I am a farmer, holding 500 acres under Native lease, which I have held for twenty-one years. It is at Warea, on the coast. It was a thirty-year lease from 1884, but has been extended for another three years. I am satisfied with the tenure so far as it goes. As representing a large number of settlers on the coast, and particularly Native leaseholders, I am requested to express their great sorrow and indignation that the Commission did not go round to Opunake, so that they could lay their position before them. This Native tenure is a totally different thing from any tenure that has been before the Commission hitherto, and they wished particularly to bring it before your notice. I may say that a large number of settlers in our neighbourhood are practically freeholders, and are, of course, very favourable to the freehold, having worked up to it through the deferred-payment system. The whole of the freeholders and the most of the leaseholders are in favour of the deferred-payment system, in that it practically pins a man to the land from the beginning, and induces him to continue to improve the land, even under most adverse circumstances. Thirty years ago the coast was in a different position to what it is now. Many had to go away because it was utterly impossible to make a living. Others—and I was one of them—struggled through under immense difficulties, quite as great in proportion to those inland now—in fact, we went through all the disabilities that have been mentioned to-day; but our troubles are now of a different character. I can remember the time when the deferred-payment settlers were working not so much to get remuneration for their labour, but to obtain means to pay their deferred-payment demands, even taking at the rate of 2s. 6d. a day. On the back blocks when troubles arise in the shape of slips, lease-in-perpetuity tenants want 8s. a day before they will turn out and clear their roads. In the early days we did a lot of free work for the State. Now we are met with the fact that while the leases were coming to an end the conditions are considerably altered from the time we took them up. That is to say, we have been revalued every three or four years, and the portion of the value of our lands which we considered would belong to ourselves at the end of the lease is being diverted in what we consider an unfair way. The unimproved value is being increased to the detriment of our improvements. The leases contain a clause that at the end of the term all improvements belong to the tenant, and we are beginning to wonder what will be improvements at the end of the term. We imagined that improvements we made on the land and what improvements we made in the district, outside our fences, would become part of the improved value of our land at the end of the lease. We find, however, that the total value is fixed on the basis of sales made in the district, irrespective of cash or on terms; and then the unimproved value is arbitrarily fixed at a certain other sum, and the value of our improvements is the difference between these two sums, and we are told that if our improvements are in excess of the amount stated, we can have our valuations raised, and pay an increased taxation. It puts us in a very difficult position, because in one instance we are liable to lose the value of our improvements at the end of the lease, and if we maintain that our improvements are worth a certain sum we have to pay increased taxation on that value during the next ten or twelve years. There are other points, but that is the principal one. The whole business of the Native lease is one which opens a very large question, and which is open to great difference of opinion. The system of leasing these Native lands leads to one of the worst phases of absentee landlordism, in that the landlord has neither knowledge or interest in his tenants. We have large tracts of Native lands which are not let, and which pay no rates whatever for the maintenance of roads, and which do not help the district

in the slightest degree. If these were European lands the public bodies would step in and be able to make the rates a claim on the lands. At the present time, these lands are lying idle, or, if occupied by Natives, pay a reduced rate. The Natives are considerably the largest users of the roads in the district and of the improvements which the settlers have paid for by rates and otherwise in the way of harbour, roads, factories, and so on. The settlers are not receiving, and are not likely to receive, the slightest allowance for sinking their capital in these things, because the valuer only recognises the actual improvements which are visible on the land at the time he visits them. The unimproved value of the Egmont County was put up half a million, and though the improvements certainly were raised from what they were before, certainly nothing in proportion to the unimproved increase. Settlers claim that there is no unimproved value. We have no railway; we have a road to New Plymouth of forty miles to maintain; we have all our by-roads to open, which is being done out of loan money, and we maintain that the system of valuation is altogether wrong. In some instances, the settlers on roads, for which they have raised special loans, are having their values raised for taxation purposes, from the very fact that these roads are made, so that they are paying the rate for the special loan, and they are also paying an increased rate for the general purposes of the district. As a district and as settlers we have a very strong sympathy with those people who have taken up land in the inland districts, because we know from experience what sufferings they will have to undergo. We know what a great benefit the deferred payment has been to us, and we can feel what a great benefit it would be to them if they had the right of purchase, the same as we had. There is a large question as to whether it would not be better for the State to take over all these Native lands and convert them into State lands. The argument is exceedingly strong that the Natives would be far better off if instead of receiving their rents from the Public Trustee they were able to go to the Post Office and receive the interest on the debentures which the Government would give them for their lands, which would then become State lands, and be let in the ordinary way. As far as the Native leaseholders are concerned, they are of one mind in the matter. They do not look upon it in any selfish way, but considering it from their intimate knowledge of the Natives on the coast, they are sure the Natives would be infinitely better off if the Government acquired the land and gave interest-bearing debentures in exchange. There are some thousands of acres of this land unoccupied which are unproductive, and for which many applications have been made to the Public Trustee to get available for settlement, so that they can be rated for the roads; but, as the matter stands at the present time, the Trustee seems to be unable to have these lands brought into use, and the result is that in our district, though we have lands which would produce enough revenue if occupied to keep our roads in fair order, we are unable to do so. The question of a railway has been raised, and I think the whole difficulty of increased value given by the construction of a line can be met by the application of the betterment principle.

363. Had you a public meeting of the Native leaseholders?—Yes, some time ago.

364. The Public Trustee is really your landlord?—Yes.

365. You say there is a large area of Native land unoccupied, and which is paying no rates. Has the Public Trustee any power to devote any part of the rents towards roading?—Not in unoccupied lands; he is simply a receiver.

366. *Mr. Paul.*] How many miles have you had to travel in order to attend this meeting?—About sixty.

367. *Mr. Anstey.*] Does the Native land pay no rates?—No, but they only pay a very small rate. It is supposed to be half, but the valuers value Native land in occupation of Natives at much less than they value Native land of the same quality and in the same neighbourhood in the occupation of Europeans.

368. Taking into account the fact that the Natives only pay half-rates on their low valuations, you are practically rated at 300 per cent more than the Natives?—Yes.

369. With regard to the Native-land taxation, are the Natives paying rates?—The Public Trustee pays them; but, unfortunately, the public bodies cannot find out on what system he pays. The public body gives him a list of the sections in the occupation of Natives, and he sees if there is any money coming to the Natives which will pay the rates; if he has no money coming to the individual Natives he pays no rates. The County Council may imagine that they are entitled to £300 or £400 from Native rates, but the Public Trustee will send down £80, saying that that is all he has.

370. Is there any way of getting over that difficulty?—That is not the great difficulty. There is a large amount of land which does not pay rates at all. The Public Trustee has not dealt with it, and no revenue comes in; therefore he is not able to pay any rates.

371. So that from some Native land you get no rates at all, though the law says it has to pay half-rates?—That is so.

372. Is it a large area that is in this condition?—Yes.

373. What is the remedy?—The remedy was fixed by the Act of 1888, which allowed rates to accumulate, and when the land was dealt with these rates were a first charge on revenue. But the Act of 1892 did away with that. The Natives made a great disturbance about their money being taken from them to pay these rating and other charges. After some lands were let, the Natives for several years received no money whatever, through having to pay these back rates. If the clause in the Act of 1888 were re-enacted the present difficulty would be eased.

374. How do you account for so much of this land not being dealt with at all?—It is highly suitable for settlement; but if the Natives have land in profitable occupation the Public Trustee has no power to take it, and Te Whiti, whenever he finds that the Public Trustee is likely to take a block of land for European settlement, sends a few Natives down to comply with the Act. They put up a whare and turn over the corner of a section. That complies with the requirements of the law, and the Trustee is not able to deal with the land. We have had great trouble through the ragwort and blackberry, which has spread all over the district from these lands. Two or three years ago I was in

communication with the Public Trustee and the Noxious Weeds Inspectors with regard to these lands, and it was only about a fortnight or three weeks ago that we got any definite action taken. The ragwort was cut, but the Public Trustee's agent told us he did not take any notice of the blackberry, which is still rampant all over the district.

375. Did those weeds spread from the Native lands to the lands of European settlers?—The first seen of them was on this Native land.

376. Did the Natives bring it themselves?—We do not know. We attribute the noxious weeds to the war, believing they were brought out in the hay.

377. With regard to this question of roads, have you sufficient for your purposes?—No; we have insufficient roads, and we have a difficulty in maintaining them.

378. How are they maintained?—The main road is entirely maintained by the rates, and the by-roads have been constructed out of special loans under the Government Loans to Local Bodies Act. Many of the sections are doubly and trebly banked in regard to loans, and yet the roads are falling into disrepair. The Egmont County is over £1,000 in debt at the present time.

379. What are the local bodies?—The Egmont County Council and the Parihaka Road Board.

380. Is that economical?—Had we one local body there would be a great saving.

381. You have really three governing bodies—the Government, the County Council, and the Road Board—and you think it would be better if one did the lot of the work?—We would save considerably.

382. If you had one local body, and a proper system of rating, by which all contributed accordingly, could you finance the road-works without the assistance of grants?—Undoubtedly; if the whole of the district were rateable we would be in a good position with good roads and a fair subsidy.

383. *Mr. Johnston.*] Your main road is a good road?—It is a good road, but it is a rotten road. It was a fairly good road on Sunday, but we have had two days' rain since.

384. It was a good road twenty years ago?—That is a different thing altogether. It was a good road eighteen years ago; but, unfortunately, it was good at the top and had no bottom. The A.C.s, when they were making the road, threw in anything they could get for a foundation, and threw boulders in on top of that and then gravel. Sixteen years ago the boulders were cropping up, and the system of repairing adopted was to pick them up, crack them to pieces, and put the bits into the holes again.

385. When did the ragwort appear?—Four or five years ago.

386. It could not have come from the A.C.s, then?—Where did it come from, then? It appeared suddenly on the Newall Run and has been spreading ever since.

387. Is there any Californian thistle there?—No.

388. Any gorse?—Any amount.

389. Is there any on the Native land?—The Natives are tackling their gorse now. That is one thing where the Public Trustee has done a great deal of good. He has got them to cut the gorse down. There is, however, a great deal still.

390. This map shows an area of 184,750 acres of Native land, principally around that quarter. Is the whole of the land under settlement?—I think it will include what is not under settlement. The larger portions of the unoccupied land are around Parihaka.

391. Are the Natives doing anything with this land?—Practically nothing. They have dealt with the frontage and are cultivating to a certain extent, but the whole of the back country is being left in its original state.

392. Do you know the object of that?—No. Now and again the Public Trustee gets his foot in and takes possibly 1,000 acres, but it is not much good as far as the present rating is concerned.

393. You could not give us an idea of the area settled under lease?—There is about 200,000 acres altogether, and I take it there are 12,000 to 14,000 acres not settled.

394. Has the gorse generally been destroyed at the coast on freehold land?—It is a noxious weed, but the great bulk of it has been cleared out.

WILLIAM MONKHOUSE examined.

395. *The Chairman.*] What are you?—I am a farmer, farming 950 acres of freehold at Tahora, twelve miles outside of Whangamomona. I have been four years in occupation. I have been asked to give evidence by the local branch of the Farmers' Union, and other settlers. They wish to press for the retention of the freehold, which they think is the best tenure, not merely from the point of view of the individual, but also for the State, on account of the greater efficiency of working and the more substantial character of improvements. In substantiation of that contention they would point to the better character of improvements in this district on the freehold land as compared with the leasehold. The gentlemen of the Commission went from Stratford to Toko the other day, and if they could go from Stratford to Ngairi, six miles the other way, they would see a great difference between the freeholders' and the leaseholders' improvements. They urge the reintroduction of the deferred payment as being one of the best means of the poor man towards the freehold, and they would submit that the deferred-payment system has this advantage over the occupation with right of purchase: that the settler is not called upon to make a large bulk payment, and there is a better chance of his keeping out of the hands of the money-lenders. They also urge in favour of the freeholder the very much better way in which, in this district at any rate, the noxious weeds are kept down on the freehold as compared with the leasehold. I have seen something of the ballot system and I do not think it is a good system. I sold a farm, wishing to get more land, and I went to a ballot in New Plymouth. There was a small block of land thrown open, which, if occupied by good settlers, would carry a large population, and there were over three hundred applicants for every section, and I have no hesitation in saying that there was not one *bona fide* applicant in twenty. The sections went to those who drew them, and I am informed that there is not a single dwelling on that block at the present moment. The block is at the junction of the Uruti and the Moki Road. The large majority of the applicants had no intention

of becoming *bona fide* settlers, but went in for the sections in order to speculate in them if they were successful in drawing them. To my mind the system which preceded the ballot system—the tender system—was an infinitely better system. My reason for saying that is, that there is often great variation in the valuation of sections. If one or two sections are known to be good, there is a rush for them, and very often the *bona fide* settler is crowded out. The ballot system introduced speculation. With regard to the loading for roads, it strikes me that it is undesirable that those settlers whose lands are loaded for roads should get that money on less favourable terms than those settlers who go in for loans under the Government Loans to Local Bodies Act. If a man takes up land under the occupation with right of purchase his land is loaded, and he has to pay 5 per cent. for twenty-one years, and then if he purchases he has to purchase on a 5 per cent. basis; and if he borrows under the Government Loans to Local Bodies Act for his roads he pays for twenty-five years and the debt is extinguished. We think that the settlers under the lease in perpetuity should have their loading put on the same terms as those who borrow under the Government Loans to Local Bodies Act.

396. Did you say which pays 5 per cent. ?—The occupation-with-right-of-purchase holder pays 5 per cent., and if he converts to the lease in perpetuity he pays 4 per cent. for all time. If under the Government Loans to Local Bodies Act he pays 5 per cent., and works it out in twenty-five years. It seems to me that settlement should never go in advance of roading, especially in the case of small settlements. Then there is another point, which is perhaps local to Taranaki, and that is the apportionment of the unimproved and improved values in certain cases. I would give an illustration to show what I mean. A small section of 102 acres is taken up in the early days, and there was just a rough bullock-track along the main road, and a by-road of a similar character. The settlers decided to make a bridge, and metal the main road, and they raised a loan paying a rate of 2½d. in the pound. The immediate result of that was the raising of the unimproved value of the whole district from 10s. to £1. The settlers on this road went for another loan to make a by-road, and they rated themselves with another rate of 3¼d. in the pound, and the immediate result of that was the raising of the unimproved value by another £1 per acre. Later on they combined and went in for borrowing money from the bank to build a co-operative dairy factory, and eighteen of them signed a joint and several guarantee for £1,800. They built the factory, and immediately the unimproved value of the land was put up another £2 an acre. There are hundreds of these cases. The settlers contend that the improvements made by these works, and for which their lands are mortgaged, should be added to the improvements and not to the unimproved value. They also think that, where they burden themselves with a joint and several guarantee, and mortgage their land and stock, they should be allowed in dealing with the land-tax returns to rank that as a mortgage.

397. You think the tender system is better than the ballot ?—The district I first settled in was opened up under the tender system, and I never heard a whisper against it, but the ballot system has had enormous drawbacks in this country.

398. How far do you live from here ?—I live at Stratford at present. I did not care to take my wife and family fifty miles from here at present.

399. How long ago did the ballot at Uruti take place ?—About five years ago.

400. Do you know what has been done to do away with bogus applications ?—They have tried to avoid them, but how far it has been successful I do not know. During the last twelve months I saw one case where there were seventy-five applicants for one section.

401. You said there were no settlers on the Oruti Block ?—I was credibly informed that there were no houses on it.

402. It was settled under occupation with right of purchase ?—Yes.

403. Do you know if the Board has forfeited any of those sections ?—I do not know.

404. Do you think the Land Board should give exemption from residence where there is not sufficient means of access ?—I think that the Board would act in the interests of the country if they allowed, under certain conditions, absence from residence on double improvements being made. That is to say, instead of a man putting on £1 per acre he should put on £2, the result of which would be that if he did not live on the place himself he would have to put some one in charge to work it.

405. Would that not work hardly on the others ?—No.

406. *Mr. Johnston.*] What is the nature of this land at Uruti ?—It is good land—a long way above the average of papa country.

407. Do you not think the ballot system would be the best if it was a straight-out ballot ?—I think the advantage of the old system was this, that it remedied marked inequalities in valuation.

408. Would there not be a disadvantage in the tender system in people going in for land who did not know its value ?—As a rule a man applied, and in nineteen cases out of twenty he got it at the upset price. If there was competition, and two applied in one day, only those two could tender. The system entirely discouraged speculation. Of course under it a man might pay too much for his section.

409. Do you not think that the restrictions at present stop speculation ?—Not entirely.

410. You think there should be more restrictions ?—I question if the ballot system will ever be a good one.

411. How would you arrive at the unimproved value of land if you did not make your capital value and take the improvements off that ?—My point would be that this burden should be reckoned as an improvement. If a man spends £200 of his own money or mortgages his land for the making of a road, that should be considered an improvement.

412. Do you approve of the Board making inquiries into the position of applicants ?—I believe the tender system would do away with that.

413. Are there any noxious weeds about Taranaki ?—Yes; ragwort and blackberry, oxeye daisy, and a little of the Californian thistle. The ragwort is on the leasehold sections going to Toko, at the

back. The sheep keep it down, but a good many farmers here do not keep sheep, but cattle, and it can only be kept down by sheep. The Californian thistle is being kept down, but it is not as bad here as in some places; it does not take possession.

414. What is your experience about the Advances to Settlers Department?—I had a loan which was quite satisfactory, but I heard from applicants for loans under the lease in perpetuity that they have not been able to borrow from the office under that lease.

415. *Mr. McCutchan.*] Are you satisfied with the present constitution of the Land Board?—I think so.

416. Would you favour a division of the land district into wards, the Government having the power of nomination within the wards in order to secure equitable representation for all parts?—I should feel doubtful about it. A good man is a good man wherever you get him.

417. But there might be parts of a district with which a man might be closely acquainted, and would it not be better to select that man to represent that area?—It might be an advantage, but there might be two good men in the one ward, and you might have to consider which should be selected, and that might complicate the position.

418. Do you not think that under the system of tendering for land wealthy people would get an undue advantage?—I am inclined to think the small farmer as a rule is not handicapped in that respect. He can afford to give slightly more than the larger man. I am assuming there would be a precaution against excessive quantities being allowed to be taken up by one person.

419. Do you not think that a close scrutiny of the applicants by the Commissioner would do away with the speculator element?—To some extent, but it is open to the drawback that there might be either favouritism or charges of favouritism.

420. In advocating the reintroduction of the deferred-payment system can you point out in what respect that system holds an advantage over the occupation with right of purchase?—In this way: it is very often inconvenient to the small capitalist to pay off a large sum at the end of a term of years, and if the deferred payment were extended to twenty years instead of fourteen years, a small man could go on paying his rent and at the end of twenty years he might be in a position to take his occupation with right of purchase. But if he had to pay off a large sum at the end of the shorter term, it might be the means of getting him into the hands of the money-lender.

421. As he saved the money and applied it to the reduction of the capital value, would not that place the occupation with right of purchase on a better footing than the lease in perpetuity, in view of the fact that the payments would then be much lower for rent?—I think it would be much better than the system I speak about. It would be a deferred payment, with an easier payment in the first few years.

422. If the amendment were made it would satisfy you?—Thoroughly. That would be the deferred-payment system with improvements.

423. *Mr. Anstey.*] What is the value of your land?—About 17s. 6d. for one section, and 16s. for the other. That is on the unimproved value. I have spent, roughly, £1,000 on it.

424. What land do you allude to when you say it was largely raised in value for rating purposes?—That was the farm I held some years ago, on the western side of Stratford.

425. What is the value of the land now?—Probably £16 an acre.

WILLIAM McLACHLAN examined.

426. *The Chairman.*] What are you?—I am a farmer, holding 200 acres of freehold in Warea, Egmont County. I have been there eight months. I have been sixteen years in Taranaki, and practically pioneering all the time. I was away back for over two years, quite long enough for me. I have held land under a good many tenures: first, deferred payment, which suited me very well; secondly, from a private landlord; then the freehold; and after that the State and the lease in perpetuity; from that I got back to the freehold. I was so well pleased with the lease in perpetuity that I sacrificed a good deal of labour and money to get out of it. I could not see my way to carry it on and rear a family; it may be quite right in theory, but it was not right for me in practice. I came to a deadlock with regard to finance. I found when I bought cattle from the auctioneer that I would be better with the freehold. I promised my fellow-settlers that I would do what I could to get them relief, and what they were entitled to.

427. *Mr. Anstey.*] What is the chief thing your fellow-settlers want in the back blocks?—What the Premier claims for the State—security of finance and tenure.

428. Are the roads of any consequence to them?—Certainly.

429. Is not that one of the chief wants?—Yes.

430. Which is the most important? The alteration of the existing tenure or good roads?—Good roads they must have in every case. They are most important at present.

431. *Mr. McCutchan.*] The back block you settled in is the area known as the Lone Area, near Strathmore?—Yes.

432. That is the district which has made itself liable for rates on £27,000 under the Loans to Local Bodies Act?—Yes.

433. After they had borrowed all this money did you find there was a possibility of getting reasonably good road facilities in the district?—I could not see it in the immediate future, but I thought I was going to get some reasonable facilities.

434. And it was that fact, together with the difficulty of financing the lease in perpetuity that induced you to dispose of your land?—It did not induce me, but it was for my family's sake—their comfort and health.

435. *Mr. Paul.*] Then it was just as much a matter of locality as it was of tenure?—I was quite satisfied with the locality, but I had a family growing up, who were not old enough to fell bush, but

were old enough to milk cows, and I thought it better rather than slave our lives out in the back blocks to go somewhere where we could live in more favourable conditions. And I saw my little capital would be eaten up before I got those facilities. It was the want of facilities that compelled me to get out and take up a block in this vicinity.

THOMAS CUTHBERT examined.

436. *The Chairman.*] What are you?—I am a farmer, holding 76 acres of freehold about four miles from here, at the Pembroke Road. I have been eighteen years there. I was well treated by the Land Board. I had my land under the deferred payment, and I think the Board as a rule made three inspections, and if sufficient improvements were made up to that time they troubled me no more. I do not agree with there being any local bodies; my idea would be to centralise the whole thing and sweep out all the local bodies. On the Pembroke Road we have about eight miles of roadway, and there are about eight local bodies out there, not all direct taxing bodies—the Land Board, Education Board, Hospital and Charitable Aid Board, Egmont Forest Reserve Board, Taranaki County Council, Manganui Road Board, and the Stratford Borough.

437. What in your opinion is the best land-tenure?—The deferred payment was a grand system, if not abused. All the land on the road I live on was taken up under that system, and I am the only one who paid my land off in the ten years. I paid £1 an acre in ten instalments. All the rest made freeholds at a very early date; but in the case of people who hold their land on the deferred-payment system, if they have to make freeholds at a very early date, we all know what that means, so that I would not be in favour of reintroducing the deferred payment. I think it is just a splendid system for the money-lenders, and they like to deal with it. No man should borrow money if he can help it on these bush sections, for there is nothing much to be made out of them by people with no experience. Land is running up in price in this district.

438. Well, what system do you think is the best for the settlement of the lands of the colony?—I think the nationalisation of land is the best, and I think all the land should belong to the Government.

439. Is there any aggregation of estates going on here?—Not so much here as in some parts.

440. Have you any experience of the Advances to Settlers Department?—I think it is a very good system. With regard to borrowing from private people I can give you an instance of what they charge. In 1880 I borrowed £50 at 15 per cent., I kept it for three years, and it cost me £90 to get rid of it. I was living in Canterbury then. Now I can go to the Advances to Settlers Department and borrow it at $4\frac{1}{2}$ per cent.

441. *Mr. Paul.*] What system of lease do you believe in?—I should take it up on the long lease.

442. Do you believe in any system of leasehold?—I believe in the long lease.

443. Do you believe the leasehold is superior to the freehold?—If I had a quarter-acre section and wanted to put a house on it I should like the freehold. One man told me that he was paying over £1 an acre in rates, and I think he would be better under the leasehold system.

444. *Mr. Johnston.*] What could you get for your farm if you sold it now?—I could not say. It is not for sale, but there is land in the vicinity that a man is asking £20 an acre for, and it is hard to get a purchaser for it. The land is similar to mine, and my land is not as valuable as it was when the bush was on, barring improvements.

FREDERICK MILLS examined.

445. *The Chairman.*] What are you?—I am a farmer with 166 acres under lease in perpetuity under the Land for Settlements Act. I am on the Tokara Estate, Livingston's, and have been sent to represent the settlers there. I have been three years there. I pay 18s. 2d. rent per acre.

446. What views do you represent on the land question?—With regard to Land Boards our opinion is that Crown tenants should have representation there. This could be done by electing one or more Crown tenants members, as is done in the case of the directors of companies, the voting being done by post. As regards tenure, we think we should have the right to the purchase.

447. I that after improvements and residence is complied with?—Yes, after what we call reasonable restrictions such as are enforced in connection with the occupation with right of purchase at present. We think we should have the right to pay off at any time any sums towards the purchasing-price, the rent to be reduced accordingly, and any amount which has been so paid towards the purchasing-price to be available for payment of rent in case of default. We also submit that that principle might be applied to the Advances to Settlers Department. We have now the advantage of paying off any sums towards the principal, but we consider that any sum which has been paid off of the principal might be available for the payment of interest in case we are not in a position to meet that payment. We are strongly of opinion that the right to the freehold should be granted on the original price. We think the leaseholders should be treated quite as liberally as the freeholders in connection with the Advances to Settlers Department, as to the Government the leasehold is quite as satisfactory as the freehold.

448. How are the settlers getting on down at Livingston's place?—They are making a living, but not fortunes. Recently we erected a creamery in connection with the factory. They are mostly all dairying. We have no trouble about the roads. The land is all occupied by the original settlers, with one exception, and our rent averages £1 1s. all over.

449. *Mr. Paul.*] Would your tenure be more valuable with the option?—Yes, it would be negotiable and a security upon which we could raise money, and I see no reason why it should not be granted.

450. If your improvements were conserved to you, and the land was put up to auction, would it bring more than the present capital value?—It depends upon the way the improvements are looked at. The term "improvements" is meant to include everything which comes as the result of our

expenditure and labour upon the place, and if that were taken into account I question if it would bring more than we are giving for it.

451. Would you object to it being put up to auction if all your improvements were conserved?—I have no wish to shift.

452. *Mr. Anstey.*] Upon what franchise would you wish the representatives of the Crown tenants on the Board to be elected?—Only those who are directly interested—Crown tenants alone.

453. Would it be satisfactory if it was mandatory on the Government that at least one member of the Board should be a Crown tenant?—I am not sure about that. In the case of our settlement I could pick one man I should not like to see on the Board, and if the Government picked that man it would not be satisfactory to us. They might pick a servile follower of the Government. In every district where the tenants put forward a man he would be a suitable man.

454. Supposing they picked all the suitable men—you might have fifty—which one would they select?—There would probably be some concerted action in the district to pick a suitable man for the position, and in our own district there is no reason why they should not fix on somebody whom we would all be prepared to nominate and support.

455. What about that settlement at Whangamomona: could they take concerted action there to do that?—They could do the same.

456. With regard to paying off a portion of your purchase-money and allowing the payments to go towards the rent in case of default, you advocate that the same principle should also be applied to the Advances to Settlers. That would be something of the principle of a State bank?—I should hardly like to say.

• WILLIAM JORDAN examined.

457. *The Chairman.*] What are you?—I am a farmer, holding 210 acres of freehold at Kupara Road, eight miles from Tariki.

458. What particular point do you wish to bring before the Commission?—I am a representative of the Kupara Road Branch of the Farmers' Union. It consists of twenty members, and they are all in favour of the freehold. They are mostly holders of the freehold, which they got under the deferred-payment system. Our roads are not very good, but there is no roading. We are on the "thirds."

459. Was this sufficient to keep up the roads?—No; I am paying on three loans for metalling, and still I have no metal within two miles of my place. I am eight miles from Tariki Railway-station. I am dairying. We have a small creamery there. It was all bush land, but is mostly grass now. I have had no connection with the Advances to Settlers Department. I have no fault to find with the Land Boards.

460. *Mr. Paul.*] How many Crown tenants are there in your branch?—I do not know that there is one.

461. *Mr. Anstey.*] Did your branch discuss any other question than the freehold?—Yes, the sterilising of bones and the question of noxious weeds.

WILLIAM McLACHLAN KENNEDY examined.

462. *The Chairman.*] What are you?—I am a settler at Toko, holding about 400 acres of lease in perpetuity, 313 acres occupation with right of purchase, and 80 acres education reserve. I have been twenty years in Taranaki and thirteen in Toko. I believe Crown tenants should have the right to acquire the freehold. The occupation with right of purchase is about as good as any. The lease in perpetuity I do not believe in, either for State or tenant. The State is only getting 4 per cent. for the land, and it has to borrow money at $4\frac{1}{2}$ per cent., and take the cost of administration out of that, and it is not a good investment for the State. I believe it is best for the lessee to have the freehold, because sentiment leads him to believe it is the best tenure, and those who hold the land on the freehold tenure make better settlers than the men who hold leases in perpetuity.

463. Do you put all your strength on the occupation with right of purchase in the matter of improvements more than on any other lease?—I put the improvements equally on all. The tenure does not affect the preparation of the land for what it has to produce. I do not think it would be advisable for the State to give the tenants of education leases the right to acquire the freehold of them, because they are trust lands set apart for a specific purpose, the education of the colony.

464. Do you believe in the present constitution of Land Boards?—On the whole they are acting very fairly, but I think that two members ought to be elected by the tenants on a County Council franchise.

465. Have you had any experience with regard to the Advances to Settlers Department?—Not very much. I tried to get some money, but I was offered about one-third of what I wanted, and I did not accept it. All I want I can get from my bankers.

466. What are your roads like?—They are good summer roads, but inland they are only a track. Some of our sections have been loaded for roads, but the money might have been better expended. I should like to see special grants abolished, and a certain sum set apart for the main roads, and a 6 ft. track made on the by-roads before the land is opened for selection.

467. *Mr. Paul.*] Why do you advocate the partial election of the Land Board?—Probably because I think the settlers would know better the kind of men to put in to meet their requirements. Some of the men who are appointed through influence have no consideration for the wants of the settlers.

468. Has that been the case in Taranaki?—It has been said so, but I cannot speak from experience. With regard to residence on Crown lands, I think that should be made less stringent. A man in a situation or business, who has a family coming on, may want to provide some land for them, and he cannot possibly keep up that land unless he is allowed to continue in his situation or business, but the

Land Board forces him to leave his situation and go on this land before he has sufficient capital to work it. As long as he is putting his money into the land he is a *bond fide* settler and not a speculator, and the residence condition should be waived.

469. If he continues to be successful in earning a salary, is there any objection to his refusing to go on the land at any time?—I should say not if he was in a position to do so, but he must put his family on, although it would be a hardship to send him on the land himself.

470. Do you think none but landowners should be represented on the Land Board?—I do not.

471. Your method of personal election within each ward would deprive the landless of representation on the Land Board?—Not necessarily so. If the member were a just man he would give all a chance of acquiring the land under the land laws.

472. You propose that two members shall be elected on the County Council franchise and two be nominated by the Government. Would you object if one was a non-land owner?—No, I should allow the Government to nominate their two men.

473. Would you as a settler have any objection to the Government nominating a landless man?—No.

474. *Mr. Johnston.*] Are you a farmer pure and simple?—No, I have been doing nothing for some time. I have been a sawmiller for some years, and that is one reason I advocate that there should be some allowance made in certain cases in regard to residence. I had a place at Toko, and could not sell it or lease it. The Board was forcing me to reside on the land I had leased. I bought it with the intention of holding it, but because I could not reside on it they wanted to stop me having tenants.

475. You held those lands for speculative purposes?—In other words, I could not reside on them, because circumstances did not permit it.

476. Why did you take up the lease in perpetuity if you were not satisfied with it?—I would not have taken it up. I bought the goodwill of the section.

477. Did you buy it voluntarily?—Yes.

478. Why did you buy it if you did not like it?—I was not forced to buy it. I bought it because it was reasonable in price, and it suited me.

479. You bought it because you saw money in it?—One will not buy anything unless one sees some profit standing in it.

JACOB MARKS examined.

480. *The Chairman.*] What are you?—I am a farmer, holding 376 acres of freehold at Mangatoki, Hawera County. I also represent that branch of the Farmers' Union. I have held my land eleven years.

481. What matter do you wish to bring before us?—With regard to tenures, our feeling is that the option should be given to the lease-in-perpetuity Crown tenants. With regard to residence, we feel strongly that that condition should be relaxed. I have been for some years a member of the Hawera County Council. We have a lot of country to administer occupied by Crown tenants, and we feel that to insist on people residing on those tracks is simply monstrous. No words are strong enough to express our disapproval of compelling families to reside there. As a matter of fact, the tracks are not there.

482. Where is the land you speak of?—East of Eltham. I have been there with the Hon. Mr. Hall-Jones, and the Commission will do a good thing if it brings about an alleviation of that condition of compulsory residence.

483. What do you think about the constitution of Land Boards?—I think they should be partly elective and partly nominated by the Crown.

484. On what franchise would you elect them?—I think something after the local bodies.

485. Would you elect them on the County Council franchise?—That has worked well with regard to the administration of Hospital and Charitable Aid Boards.

486. *Mr. Paul.*] Are there any Crown tenants in your branch?—No, but a few education-lease holders.

487. *Mr. Anstey.*] You know what the conditions are of the leases of education tenants?—After a period they are subject to a revaluation, and also have a compensation clause.

488. Do they get full compensation?—I am not clear on that point. I think it is probably limited. I cannot be sure about the right of renewal.

489. What do you think is the most important question in this district: that of roads or land tenures?—I think the question of roads to give access is the most important. The difficult country should be laid off in larger blocks because we cannot do anything with it without a road.

JOHN BANGHAM RICHARDS examined.

490. *The Chairman.*] What are you?—I am farming 189 acres of leasehold land from a private individual, with a purchasing clause, practically freehold. I have held it about six months. It is at Cardiff, about five miles from here. I have a bad road. I am on the staff of Newton King, and on the principle that onlookers see a great deal of the game I should like to put the following remarks before the Commission: The Land Board in Taranaki is a capable body, and one which conducts the business entrusted to them in a manner entirely satisfactory to the Crown tenants. So long as the Government appoint to the Land Board men who have experienced the hardships and trials of pioneers, and who exercise the knowledge thus gained, there is no pressing need for an elective Board. But the right of the Crown tenants to representation on the Board appears to stand good. The occupation with right of purchase is undoubtedly the best tenure to acquire land under. The burning question now is whether the Crown tenants under the lease in perpetuity should have granted to them the option of securing the freehold. So far as the benefit to the tenant is concerned there can be no doubt. He would be granted a distinct advantage. He would be able to finance on much better terms and

consequently would have less interest to pay. He would have greater security of tenure and would be removed from the bugbear of revaluation. The added value of the land he acquired would become his property, and in nearly every instance it is just the prospect of ultimately becoming the possessor of this increment which induces him to assume the manifold hardships, the risks to life and limb, the denial of comforts and pleasures of civilisation which are invariably imposed on the man, the wife, and family who have grit and courage enough to break away from the towns and tackle the task of breaking in a bush farm. From the point of view which may be taken by a statesman having the progress and welfare of the colony at heart, would it not be sound policy to offer a just reward to the man who is willing and able to convert unproductive tracts of land into revenue-producing farms? There is a wrong impression abroad that a fortune may be picked up by any one who is lucky enough to obtain a bush section, but before even a profit is available many years of careful management and hardship have to be spent. There are few, if indeed any, bush farms which will provide interest on capital invested, a decent living, and fair wages for work expended during the first few years of occupation, and surely the State does not wish the labour of these good pioneers to go unrequited. The best men in a country are the self-reliant, and is not the pride of absolute ownership of the land likely to foster these. There is no loss to the State because the wealth of the colony lies in the possessions of its inhabitants, and no matter under what tenure those possessions are held, the more valuable—the more productive—they are the wealthier the colony becomes. The rougher portion of Taranaki should be disposed of in areas of not less than 500 acres, because land which is too rough to plough is too rough for dairying, and unless dairying is carried on a far larger amount of land is required to enable the farmer to make a living. The term “unearned increment” is a misnomer. The increased value of the land is due more to the settlers of the district than to the action of the Government, and in the case of work done by the Government which enhances the value of the land, the advantages accrue not only to the settlers of the district but to the State as well. The values of the land rise and taxation proportionately increases. More imported goods are required in the district and duties have been paid on them. In the case of a railway, as the district progresses does not the value of the railway increase. The positions of many of the lease-in-perpetuity tenants out east are such that unless concessions are made and communication improved—the railway for preference—many holdings will be abandoned. Ballot system fairly satisfactory, but preference should be given to the most suitable men and those who have been unsuccessful. As to roads, I have no intimate knowledge as to how to improve, but they should be improved. As to the question of the values of leaseholds now and at date of lease, I think the values have in most cases risen, but not so much as is generally imagined, and not more than would reasonably compensate the holders for their work and worry.

491. That is the result of your observation and experience, and you have had great experience in connection with the settlers in this district?—Yes; I once took up land under occupation with right of purchase. I would not take up land under lease in perpetuity. There has no doubt been a great change of opinion about the lease in perpetuity. There are a number of farmers under lease in perpetuity, and they would be glad to sell out at the cost of the improvements, and they have spent some years working on their sections.

492. The difficulty of the lease-in-perpetuity people who may wish to sell out with the improvements is that they cannot get money very readily?—Yes, that is the main reason. If you take up a piece of bush country it costs 15s. an acre, and you pay 4 per cent. on that, which is practically a mortgage for 999 years at 4 per cent. On the face of it it sounds a good thing, but you are only in possession of land valued at 16s. per acre, and you have sometimes to find £3 or £4 per acre to make the property reproductive. If you have to pay 8 per cent. for the balance of the money on account of having this first mortgage at 4 per cent., you would be much better without the mortgage at 4 per cent. In regard to fully improved land held under lease in perpetuity under the Land for Settlements Act, that land requires very little money to be spent on it, and practically the tenants have 90 per cent. of the capital they require to hold this land at 4 per cent. I do not think the improvements are very great. So that the difference between the man struggling away in the mud and in the bush tracks and the man who takes up improved land is very great.

493. Underlying the whole land question in this district there is the road question?—That is a very great question.

494. *Mr. Paul.*] Owing to your position you are conversant with the position of many of the settlers in this district?—Yes.

495. Are they doing well?—Some of them are doing very well and some are not doing well. Speaking generally as to the lease-in-perpetuity tenants, I do not think they are doing well—at any rate there are many of them who are not.

496. The reason of that is the unfavourable way in which mortgage companies which lend money look on the lease in perpetuity as a security?—Yes, principally; and not only that, there is also the bad means of communication.

497. I wish to show that the occupation-with-right-of-purchase holders without roads are in a much similar plight as the lease-in-perpetuity holders?—In saying what I did I did not want the question of roads to be overlooked.

498. If the option were given, what percentage of the occupiers of the land would be able to buy the freehold with their own money?—I do not think there are very many who could, but I could not say what percentage.

499. There manifestly could not be many when you say that the main drawback is their inability to borrow on leasehold security?—That is so.

500. In your remarks about the unearned increment, did you apply them to bush lands solely or to other land in the vicinity of towns—keeping in view this particular town?—I only wish to give evidence on a matter with which I am fairly conversant, and my remarks would apply to the bush settlers, leaving the other question an open matter.

501. *Mr. Anstey.*] You say there is some difference between the claims of lease-in-perpetuity settlers on Crown land and land purchased under the Land for Settlements Act?—Yes.

502. Do you think both ought to have the right of purchase?—I do not think that the need, from the point of view of the welfare of the country, that the freehold should be given is so necessary in the case of land purchased under the Land for Settlements Act as it is in the case of land that is taken up in the rough state.

503. With respect to the land-for-settlements lessees, you do not think they are suffering any particular injustice from not being allowed the right of purchase?—So far as my experience goes I do not think they are.

504. Is there anything in the lease that prevents lease-in-perpetuity holders under the Land for Settlements Act developing their farms to the full extent?—No.

505. *Mr. Johnston.*] In reference to the land in the Whangamomona district, do you think if it had been freehold in the first instance it would have been a great advantage to the settlers?—I think so.

506. If it had been freehold in the first place, how in the name of conscience could they have paid for it?—You would have had a different class of settlers.

507. You have said that good settlers would not go into the back country, and you also said that it is not fit to send people there at all?—I do not think so.

508. *Mr. McCutchan.*] You stated that settlers under the lease-in-perpetuity tenure in the back country in several cases were prepared to get out of their holdings at the bare cost of their improvements?—Yes, some of them are.

509. Does that refer to the Whangamomona district?—Yes, I think there are some there.

510. I can verify your evidence in that respect. With reference to settlement in the back country, is it so much a question of tenure as of road facilities?—I think that the two go hand-in-hand; but I am almost inclined to think that the means of communication is the most important.

511. Is it not a fact that men who went in there with ample capital have suffered equally with those who had inadequate capital and had to be supplied with work by the Government in order to carry on?—That is so.

512. Did the settlers go back into that country on any promise that they would be provided with adequate roading facilities?—I cannot say.

513. *Mr. Paul.*] Have any settlers told you of cases where they have had to pay 12 per cent. on stock?—Not that I am aware of.

514. Do you know of any cases where they have had to pay 8 or 10 per cent.?—Yes, I have heard of such cases.

FRANCIS SIMPSON examined.

515. *The Chairman.*] What are you?—I am Commissioner of Crown Lands and Chief Surveyor, Taranaki. I have occupied that position for twelve months. I have been in the Land and Survey Department since 1875.

516. Do you wish to make a statement to the Commission?—Yes; as to tenures obtaining in this district. Dealing first with the tenures abolished by "The Land Act, 1892," there are twenty-two holdings still existing under the deferred-payment and perpetual-lease systems. Then came the farm homestead special settlements, also selected under the Act of 1885, and which were brought under lease in perpetuity under the Act of 1892 at the option of the selector. There have been no selections under this tenure of late years under the Act of 1892, principally because the country available is not, as a rule, suitable for division into small holdings. The principal selectors are under the occupation with right of purchase and the lease in perpetuity. We have only three village settlements, in sections from 1 to 20 acres, and they have not been a success, partly owing to the lack of suitable employment for the class of men for whom they were intended. There are a number of improved-farm settlements held on lease in perpetuity; and of these it may be said that only a few out of the original settlers now remain, and these have augmented their holdings by taking up sections abandoned by people leaving the settlements as soon as the Government assistance in the way of bushfelling, grassing, &c., ceased, and the road expenditure was reduced. Those remaining on the land are, in most cases, doing fairly well; but in some localities the cost of living is very great owing to want of proper roads. There are practically no selections under the small-grazing-run system; all the lands at present open are in heavy bush and difficult of access. Only three small estates have been purchased in this district under the Land for Settlements Act, and two of them are all occupied. The other, near New Plymouth, was acquired for workmen's homes and small dairy-farms, and laid off in sections from $\frac{1}{4}$ acre to 19 acres; this during a time when a great amount of building and public works were going on in the town, but up to the present only half of it has been selected. Would-be selectors complain that the rents placed on the lands are too high. The sections have recently been grouped into larger areas, but even yet no selections have been made. The only other tenures are the miscellaneous leases and endowment leases, such as university leases, the former being mostly small pieces of Crown lands or reserves let from year to year or for short terms subject to resumption if the land is required for public purposes. The endowment leases are mostly let for terms of thirty years. As to whether the Crown tenants labour under unnecessary restrictions, I do not think that they have reason in this district to complain of any undue harshness in the administration of the law by the Land Board. No settler's default of observance of the conditions of his lease is dealt with before ample opportunity has been given him to explain, and a great amount of leniency in the way of extension of time has been granted to deserving settlers. I am not aware that the power of the Board to grant an entire exemption from residence has been exercised. Various amendments of the law have, I believe, been suggested by other Commissioners. There is one of importance to small settlers, and that is to allow the Board discretionary power to allot a selector who has complied with the conditions of his lease, say for three or five years,

an additional area of land, whether adjoining his section or not, without competition, in such cases where it is apparent that the selector cannot make a living owing to the size of his present holding. Another point for consideration is whether the provisions of section 114 of "The Land Act, 1892," should not be amended to allow a person holding more than 640 acres of second-class land to acquire additional land up to the limit of the Act. I venture to suggest that the framers of the Act of 1892 meant 640 acres of first-class land, and omitted to make any reference to second-class land. I think the ballot system, as prescribed by the Regulations under "The Land Act, 1892," works well and fairly in this district, and I am not aware of any reason why balloting for sections under the Land for Settlements Acts should not be conducted in the same manner. With regard to the lands loaded for roads, the money borrowed upon the security of the various blocks, particulars of which I have already handed to you, has, in most instances, all been spent; but, notwithstanding this and subsequent direct votes by Parliament, some sections have not yet reasonable access by road. This is principally owing to the heavy cost of construction and maintenance of roads in hilly bush country, the land not being of such value that sufficient money can be borrowed for the purpose of giving proper access. The average loading per acre has been about 5s., but I note that in, I think, two instances, sections on main roads were loaded as much as £1 per acre. On the 29th instant Mr. Jennings, M.H.R., when giving evidence before your Commission, mentioned difficulties experienced by settlers in obtaining reliable information as to the amount of accrued "thirds" to the credit of their holdings, and instanced a case where he had been present at an interview with a settler and my predecessor, and that upon subsequent inquiry at the office of the Clifton County Council it was found that the amount as stated by the Commissioner of Crown Lands was incorrect. I may mention that on the same afternoon Mr. Jennings made his statement an officer of the same local body applied at the Land Office regarding a discrepancy between the amount of "thirds" on two sections as stated by me to the settler and that shown on the schedule supplied by me to the county. For simplicity and uniformity in making proposals to expend the money, the sections are scheduled according to the road on which they abut, and it was pointed out to the county officer that he had noted only one section and omitted the other that fronted a different road. The schedules are supplied to the local body regularly every six months, and it follows, of course, that as rents are paid in day by day there must necessarily be a discrepancy between the amount to credit of "thirds" as in our books, and as shown in the schedules supplied to local body, but this is quite understood. On the 31st ultimo, at Whangamomona, Messrs. Moir and Cleland, when giving evidence before you, spoke as to their want of proper access to their sections, and emphasized the statement that the loading on their sections had not been expended. I wish to say that our books show that the total amount of loading on the blocks in which the holdings of these persons are included has all been expended, as will be seen by reference to the Kohuratahi and Marco Blocks in the schedule supplied to you by me. With regard to a schedule which I furnished you showing the original price per acre paid for Native blocks, and the value per acre at which they were disposed of, I think that some explanation may not be out of place. For instance, on to the original price paid must be added the cost of survey and administration, say, 3s. per acre. It must be remembered also that the New Plymouth Harbour Board receives one-fourth of the total land revenue of the Taranaki District. The following example will show the ultimate disposal of rent of a section: Take a section of 500 acres valued at £1 per acre, the capital value is therefore £500, and on this is borrowed for road, say, £100, making the prairie-value £400. The annual rent at 4 per cent. is £20. Out of this, 7 per cent. per annum is repaid to the Government loan, £7; the New Plymouth Harbour Board receives one-fourth of the whole of the land revenue, £5; and the local body will receive one-third of the rent on prairie-value, £5 6s. 8d.: leaving £2 13s. 4d. per annum that the land revenue derives from the land. The above example shows the balance of rent remaining to land revenue if the original purchase had been made out of ordinary funds, but it must be remembered that in this district large purchases of Native blocks were made out of the North Island Main Trunk loan, and when lands within these areas are disposed of by us the available balance from such disposal is placed to the credit of the above-mentioned loan.

517. You said that in the case of the improved-farm settlers only a few remain of the original settlers?—Yes.

518. One witness stated that in the Whangamomona district they were a great success, and that at least 60 per cent. still remained on the land, and that in respect to the balance of the sections that were abandoned or given up those sections were grouped together, and that some sections which were 100-acre sections are now 200-acre sections. Is that correct?—Yes; I can quite believe that is so.

519. If that is correct there must be some other places where they have been a failure?—Yes.

520. Could you mention them?—I could not mention them from memory.

521. With reference to the ballot, are you familiar with the second ballot?—Yes; I was present at several second ballots in Hawke's Bay.

522. Was there any difficulty in working it?—No; but it seems to me that this grouping is unsatisfactory.

523. Were there any persons that got sections who did not want them?—Yes; that is an objection to that system.

524. With respect to loading up to 20s., I suppose those are exceptional cases?—Yes.

525. *Mr. Paul.*] We have heard some references to a purchase by the Government of some land near New Plymouth for workmen's homes?—Yes.

526. They were not a success?—They were not.

527. Was the land and the position suitable?—The quality of the land was fair. It was situated about three miles from New Plymouth.

528. Do you think the position was suitable?—I think that New Plymouth was, perhaps, too small for such a settlement. I know of one man who has thrown up his section because he said it was too far away, and that he could not get to his work.

529. What did the areas average?—From $\frac{1}{2}$ acre up to 19 acres.

530. Are the tenants in the Taranaki Land District complying reasonably with the improvement and residence conditions?—Yes; their improvements are very much in excess of those required by law.

531. Is it fair to assume that generally speaking they are prosperous?—I think so. I see nothing to the contrary, with the exception, of course, of the hard battle the back-blockers have got.

532. *Mr. Anstey.*] You say with regard to workmen's homes that you are putting some of these sections together?—Yes; it was decided to put the sections into larger areas and try them.

533. What size did you put them into?—20 and 30 acres.

534. Are they being taken up now under the larger areas?—No.

535. What is the land in the immediate neighbourhood being used for?—Small farms ranging from 50 acres upwards.

536. Would it not be wise to turn the bulk of that land into two or three farms, and let it at reasonably long terms, say, fifteen or twenty years?—That would be well worth consideration.

537. How much rent are you getting from the land that is now idle?—We are letting some of the land on temporary lease.

538. Could not you let the land for a term of say fourteen years?—I suppose there is always a chance of things improving, and our being able to let the land according to the original intention.

539. On what terms are the education leases?—Twenty-one years as a rule, with a right of renewal, and with valuation for improvements.

540. Are they satisfied with them?—I have not heard of any objections to them.

541. In the case of the leases falling in is there any competition for them?—As far as I have seen there appears to be no trouble in getting them off again.

542. In a general way tenants are satisfied with a lease of that description?—So far as I see they are all quite satisfied. It may be that they cannot get anything else.

543. Do you think it would be a fair thing to insist on the same residence conditions on all kinds of tenure of Crown lands?—I do not see any objection why that should not be.

544. You know at the present time that this condition is much more onerous in respect to lease in perpetuity than any others?—I know that, and have never been able to see the reason.

545. You would recommend that the residential conditions be the same in all?—I would.

546. Do you think generally it would be a wise plan for the Government to put additional loading on the land and provide better access before or immediately upon opening up the land?—It seems to me as fair a way as any of raising the money. The money has to be found somewhere. This loading is really a loan, which the Government apparently borrow from themselves. It is raised under the Government Loans to Local Bodies Act.

547. The price charged to the tenant would not be increased at all by the increased loading?—To some extent it would, because if you raised this heavier loan you would get better roads, and the land would be worth more, but whether shilling for shilling it would be worth more is a question. If you put on a heavy loading you might perhaps have to lower the prairie-value, and if you did that to any great extent the rents would not pay the loading, because a man pays 4 per cent., and 7 per cent. on the loading has to be paid away at once for the loan.

548. The loading now in extreme cases runs up to how much?—I think there are two blocks where the loading is as high as £1.

549. What is the prairie-value of that?—I cannot tell you.

550. It would be, say, 50 per cent.?—I should say quite, if not more.

551. You can go to 70 per cent.?—No; I do not believe you can go as high as that for loading without unduly reducing the prairie-value.

552. Is there any objection to that course?—If you go too far the rents would not pay the interest on the loading.

553. Well, you can go up to that limit?—I suppose you could.

554. Would not that show the financial position of the block much fairer than it does now? At the present time the letting value of a section, say, is £1. You have loaded that with 5s., which makes the prairie-value 15s., which really it is not, because the prairie-value is only 5s., and the intermediate 10s. has been made up by grants, which does not show the position at all. Whereas if you had taken the land at 5s. and shown 15s. as the loading, would that not be more satisfactory?—I am not clear where the grants come in. These blocks are new lands without roads, and the first expenditure is the roading.

555. And after that the grants?—Yes.

556. In the case I have cited there would be a profit of 10s. shown if the original cost was 5s., but the whole of that 10s. may have been spent in grants. Would it not be better to show that 10s. as loading?—I am not quite clear on that. It requires thinking out.

557. *Mr. Johnston.*] Are there any estates in this district that could be advantageously cut up for small settlement?—There may be some, but I cannot remember any.

558. As far as you can tell, what is the average rate that tenants have to pay on their mortgages from private sources?—We are not allowed to pass anything above 8 per cent., but it is more frequently up to 8 per cent.

559. Is there nothing at 5 and 6 per cent.?—Scarcely any. They are more often at 7 and 8 per cent. than they are for 5 and 6 per cent.

560. Have you had any sections thrown back on account of regrowths of bush or through getting into a bad state with fern?—Not many, if any, that I can remember.

561. Have any rents been reduced?—I think there have been two instances.

562. Can you suggest any way of getting over the difficulty in regard to Native blocks?—I could suggest nothing further than that they might be administered by the Board. It is more of a policy question.

563. Would you suggest them being taken over by the Government and administered by the Land Board instead of by the Public Trustee?—I think they could be administered very well by the Board, but I could not express an opinion as to whether they would be better administered or not.

564. Are the education areas satisfactorily administered?—I have not heard any complaints beyond what I have heard here. I have not been long a School Commissioner, but in any correspondence that has come before me I have seen no complaints.

565. Was your predecessor the Chairman?—No, he was a member but not Chairman. Mr. Cock is the present Chairman.

566. There is a very large number of school allotments here?—Yes.

567. Do you not think it would be far better if the Government capitalised them and handed over an equivalent to the various Education Boards, and handed the endowments over to the Land Board to administer?—In some districts they are administered by the Land Board.

568. Where?—In Hawke's Bay, for one.

569. What is the area of our education reserves?—For school sites 964 acres, for school sites for Natives 137 acres, for primary education 40,739 acres, for secondary education 5,484 acres, and for university 9,546 acres, making a total of 56,870 acres.

570. Could you give us the revenue for each of these headings?—It could be obtained possibly.

571. Generally speaking, are settlers satisfied with their tenures? Previous to coming here were you of opinion that the majority were dissatisfied?—Yes, quite distinct from anything that would come before the Board. I cannot hide from myself that there is a distinct wave of popular desire for the freehold. A year or two ago we never heard of it.

572. Are the settlers generally prosperous?—Yes, fairly so. We have had more arrears in the last year than previously, but it must be remembered that we have opened up a lot of new land lately.

573. You do not offer any suggestion to get over the difficulty as to roads?—I do not say only now, but I have said for years that no block should be opened unless there was certainly a main road formed through it.

574. *Mr. McCutchan.*] In respect to arrears is it not a fact that a large amount of these during the last two years is due to the fact that the settlers have suffered from slips and have made application to the Government for some concessions, and it is owing to the delay in settling the matter that the arrears have been piled up, the settlers being aware that if they pay their rents they will get no concession?—I do not know that that is what prompted them, but there is no doubt that settlers in Taranaki have suffered very much in the last eighteen months from slips.

575. Is it in view of the magnitude of the number of settlers that the Land Board does not feel justified in exercising the power vested in it to grant remissions?—I think that is more of a policy matter.

576. In your opinion, do you think there is a good case for the remission of rent in connection with these slips?—The trouble is where would we stop.

577. The position is that there is property in the back country in which there is a joint interest—the interest of the State and the interest of the tenant. A national calamity comes along, and is it not unfair that only one party should suffer, and is not that in itself a claim for the settlers receiving a remission?—In the back country settlers must naturally expect this loss by slips and tutu, though lately this district has suffered unduly in that direction.

578. You are aware that there are cases where a man has had to give up on account of the loss he has suffered. Do you not think it is time for the State to interfere when ruin faces the settlers?—If a man got into that state I fear that the remission of one year's rent, which is all the Board can submit for the Minister's approval, would not stand between him and ruin.

579. There is a large accumulation of "thirds" in connection with the back blocks, is there not?—Yes.

580. And a considerable portion is still in the hands of the Receiver of Land Revenue?—Yes. The county have not made proposals with regard to the money to their credit.

581. Is it not the case that proposals have gone from the County Council to the Board for the expenditure of the "thirds" for the roads vested in the county, and that it is only in regard to "thirds" belonging to roads not vested in the local body that no application has been made?—That is the position.

582. Under the amendment of the Act last year this expenditure can be forced, and the local body given notice from the Lands Department that if the money is not spent in eighteen months the Department will resume control and spend the money?—We have to place the position before the Minister, and I think the notice comes from the Minister.

583. The initiation starts with the Land Board. Do you think it wise to force this expenditure on roads still controlled by the Government?—There is only a Government vote of a certain amount, and it would seem a pity that that money should be held up while the settler is crying out for a road. The votes may have been used up and the settler be still crying for roads, and at the same time funds be lying to the credit of the county.

584. Will not the effect of this amendment be to force the local bodies to spend "thirds," while the total amount of the loading has not been completely expended by the Government?—It is possible there are cases, but I do not call any to recollection in that position at present.

585. If such is the case might not great confusion arise through two bodies being at work on one section of a road at the same time?—It might, but I do not exactly see where they would clash. In some cases, in my opinion, the local body might hand over the funds that they receive to the Government Engineer to spend, and thus save the cost of supervision and that kind of thing.

586. Seeing that the settlers are burdened with the cost of this loading, and seeing further that the local body levies rates not only on the value of the land but also the loading, do you not think it

would be a better course if the Government before they forced this expenditure were to expend their own funds, and then vest the road in the local body?—Yes, but in the meantime the unfortunate settler is without a road in many cases.

587. Do you think it wise to enforce the expenditure of these “ thirds ” under present conditions?—I certainly think that something ought to be done. Reading the section of the Land Act that applies to it, it is fairly clear to me that that money was not to be held back for any considerable time. It was not to be held back for metalling. It was for giving access to the lands.

588. Seeing that this new legislation interferes with vested interests, do you think that the Minister has the power to enforce the expenditure by the local body of these “ thirds.” Do you think the legislation has a retroactive effect inasmuch as it affects vested interest?—That is distinctly a question for a legal opinion.

589. With reference to this tabulated statement in your report in connection with the first cost of the lands and the Government expenditure, you have a statement in which you show that on 500 acres of land sold at £1 per acre the amount of revenue to the State only amounts to £2 13s. 4d. Notice you make the calculation at 4 per cent. ?—It is merely an example, not a case.

590. At 5 per cent. there would be a larger margin of profit. Is it not the case that the large proportion of lands offered for sale are taken up under the occupation-with-right-of-purchase tenure?—That is coming more into favour.

591. And therefore there would be more land at 5 per cent. and the margin would be larger than stated here?—Yes.

592. And in the land sold for cash there would be a large profit to the State?—Yes.

593. Can you explain why 7 per cent. is charged by the Government in the repayment of these loans?—I do not know exactly why, except that the loan has to be paid within a given time.

594. Do you know in what number of years money recoups principal and interest at 7 per cent. ?—I think in about twenty-six years.

595. Even at 4 per cent. the profit instead of being £2 13s. 4d. would at the tenth year be £9 13s. 4d., and at 5 per cent. it would be considerably larger?—That may be so.

596. *Mr. Anstey.*] Is it not the position that the Government have borrowed the money and actually pay 4 per cent. on the money, so that £4 out of that £7 has to go to pay interest, and only £3 goes to the sinking fund?—That is quite true.

597. Do you give the rebates for prompt payment in all cases?—Yes.

598. Would it not be wiser, seeing that the Government have means to make a rebate, to make the rebate greater where there was necessity for it, and less where there was little or no necessity for a rebate?—The rebate seems to act very well, because there are numbers who are most anxious to get their money in in order to have the advantage of the rebate. To do otherwise than to give it all round would cause a lot of discrimination.

599. It would be a lot of trouble for the Commissioner?—Undoubtedly it would.

600. Still it would be just?—Yes.

601. You do not approve of the second ballot. Is there any objection to grouping the applicants according to their means for the purpose of restricting applicants only to sections for which they are financially suitable?—I do not see any objection to it.

602. Do you think it would be wise?—It would be very unwise to allow an applicant to go on to a section that in a few years would kill him. If there is to be grouping it should be grouping according to ability.

603. *Mr. Johnston.*] Are you making any provision here for the retention of forests for milling-purposes? Do you lease land at a royalty for taking the timber off of it?—There is very little of that going on here, but I think we have more reserves here in proportion than is the case in Auckland.

604. Are you retaining reserves for that purpose?—For forestry purposes generally. It may eventually be milled.

605. Would you advocate being allowed to go through the land before they are thrown open for selection?—Where there is valuable timber it would be a very good idea, and better than having it destroyed.

606. As far as you know, are weeds bad in this district?—In some places I understand they are.

607. Have you seen much Californian thistle?—No.

608. Have your Rangers reported the growth of any on the sections?—Speaking from memory, I do not think that they have.

ERNEST CRELLIN ROBINSON examined.

609. *The Chairman.*] What are you?—I am engineer to the Stratford County, a position I have held for about thirteen months. There are over eighty miles of main road, of which a very considerable portion is under my care.

610. You work conjointly with the Government Engineer?—Yes.

611. How many district roads have you?—A great number. The whole of the north riding is managed by a Road Board, with the exception of the main road.

612. What are the boundaries of the district?—From fifty to sixty miles eastward, thirteen or fourteen miles westward, about five miles southward, and seven miles northward from here.

613. Do you know your revenue for the year?—The available rate revenue is about £9,000 approximately, and together with “ thirds ” and Government grants and subsidies will come up to about £12,000. In addition to that there is £6,000 of loan money that can be spent annually. During last year it came to over £20,000 altogether. I have prepared a statement which, with your permission, sir, I shall read: In connection with the proper administration of counties, having regard to true economy, and efficiency of work done, much depends on the available rate revenue. Counties could,

with advantage, be of such extent as to allow of an annual revenue of at least £10,000; this amount to include ordinary rates, "thirds," and Government grants and subsidies, but not to include loan moneys. If such were the case, a reasonable percentage would provide for the cost of engineering and office expenses, and, at the same time, insure the employment of competent professional men, thus obtaining full value for all money expended and obviating all leakage due to waste, or want of system in management, &c. As regards the roading policy of a county, I respectfully beg to bring the following matters under your notice: First, that as eventually counties have to accept charge of all roads within their boundaries they should have a voice in the manner in which these roads are laid off, as badly located or unnecessary roads are a perpetual and unnecessary tax upon the ratepayers, who are, in many cases, not in a position to stand the strain. Therefore, all expenditure in forming, metalling, and maintaining roads could with advantage be placed under the control of counties. After a block of Crown land has been surveyed with a view to settlement, a plan showing the proposed roads could be forwarded by the Commissioner of Crown Lands to the County Engineer requesting him to (a) inspect and approve, or suggest alterations to, these roads; (b) furnish a detailed estimate of the cost of (1) felling, forming, culverting, bridging, and metalling the main roads; (2) felling, forming, culverting, and bridging the side roads. These estimates would require to be thorough, clear, and definite, so as to admit of being easily checked by the Government Engineer. Second, that Government then decide upon the prairie-value of the land so that such value, together with the amount of roading-estimates, will be such as settlers can fairly be expected to bear. Also, that in the case of leasehold sections, by the payment of a slightly increased rent, a sinking fund be established which would pay off the initial cost of roading in a certain term of years. Third, that amounts be handed over to the county on the requisition of its engineer, to enable the work of opening up the roads to be proceeded with, each succeeding requisition being accompanied by a declaration signed by the Chairman and engineer of the county, and indorsed by the Government Engineer, that all previous moneys granted for the work in question had been judiciously and economically spent, and in accordance with the original estimate and proposals. Fourth, that main roads be felled, cleared, and formed to dray-road width before the land is sold, in order that selectors may be able to get to their sections to commence settlement, and to bring stores and other necessities within reasonable distance by wheel-traffic. The bridging and metalling of the main roads could follow, together with the construction of the side-roads, as necessity required. Fifth, that in order to properly maintain main roads Government should grant annually, out of the consolidated revenue of the colony, graduated subsidies fixed by the amount of rate levied on sections abutting the main road; and to provide for the metalling and maintenance of side-roads, Government assist by granting for not less than twenty-one years one-half instead of one-third the annual rental of all leased lands, and the same proportion of all freehold sales. The advantages of any such system would be: (1.) That the whole of the initial cost of roading the country would be borne by the land, and, with a properly established sinking fund, paid off in a certain number of years. (2.) That instead of the present system of indiscriminate votes, Government assistance in this respect would consist of the annual fixed subsidies on main arterial roads. (3.) That the system would be automatic, and whilst admitting in every way of an easy and thorough examination by Government, would, at the same time, be free from political element. As regards the engineering portion of county administration, the utmost endeavour should be made to obtain full value for every pound spent, and in such manner as to insure ultimate economy as well as reasonable first cost. To this end it is most advisable to carry out works with a due regard to permanency where possible. Wooden bridges, especially those built of material with a life of under twenty years, should be avoided where it is possible to use iron or steel. The difference in first cost is, in the majority of cases, of not sufficient importance to counterbalance the ultimate economy. The same applies to culverts and every other class of construction. Of course, first cost in every case merits due consideration, but, at the same time, effort should be made to carry out works in such a manner as to avoid more or less frequent renewals. In connection with the maintenance of roads, and particularly as regards metalled roads, a system which would entail a fairly even annual expenditure is to be recommended. In such case the necessary expenditure in a county could be estimated with a fair degree of exactitude for a year or two ahead, and its finances thus kept in a satisfactory condition. In order to carry out such a system of maintenance of metalled roads, the life of metal on roads in various parts of a district would have to be decided upon. A certain proportion of each road would require to be renewed every year, so that at the end of the assured life of metal the whole length of road would have been treated, and the first portion would be again commenced on. This, together with careful and economical methods in ordinary maintenance, would be the means of avoiding the necessity (such as sometimes occurs) of having to remetall several miles of road simultaneously, and thus crippling the finances of a county. Included in any system for the maintenance of roads, in counties liable to suffer seriously from heavy rains and floods, in the way of slips, and damage by rivers, a fund set apart specially to execute the consequent necessary repairs would be of great value. The annual amount required would no doubt be somewhat difficult to estimate, but, taking an average over a period of past years, an approximation near enough to strike a suitable rate for the purpose might be arrived at. Referring once more to the fundamental portion of county administration, and assuming that the land must—with the exception of the graduated Government subsidies on main roads—bear the whole of the cost of roading, &c., it therefore follows that the land must be treated to the very best advantage, and divided up in accordance with its carrying-capacity. It has in the past been clearly proved that to overestimate the carrying-capacity of land, or to class it as dairy country, when it is only fit for pastoral purposes, is even more detrimental than to underestimate it. Land in course of time must find its true practical value, and a step forward in so doing is to be preferred to a step back. The matter of deciding into what areas a block of land should be subdivided is, therefore, a work for experts, "who are" competent to decide soundly and in the interest of both Government and settler such questions as the following: (1.) The

true carrying-capacity. (2.) If dairy land, the number of cows necessary to support a settler and average family. If pastoral land, the amount of stock necessary to support the same settler and family, having regard to—(a) the distance from the nearest market, and the consequent depreciation in value of products in reaching the same; (b) the probable annual percentage of loss of stock due to roughness of the land, slips, floods, diseases amongst stock, or other causes; (c) the fluctuation in the value of products; and (d) the cost of living in the district in question. It is only when matters of this kind are carefully gone into and fully allowed for that a result fair to both Government and settler can be arrived at, and one which will give the latter an average chance of success. In order to facilitate, as far as possible, any system of roading Crown lands, it is necessary that the utmost care be exercised in locating and surveying the proposed roads. The cost of extra care in this respect, no doubt adds to the cost per acre of survey on a block of land, and from a superficial point of view does not show so well to the credit of the surveyor; but it would pay well to expend twice the amount per mile on road location as is usually expended, in order to secure the best possible grades and route. To insure success in such a matter it is also necessary that the surveyor have some practical knowledge of the value of road and bridge work, otherwise he cannot be competent to decide accurately when alternative routes are in question. In conclusion, I beg to submit that the question of providing for the construction and maintenance of roads, being in many parts of New Zealand a difficult one, and entailing at best heavy expense, it is therefore to the interests of the colony that a sound system of administration be adopted, which would arrive at the greatest possible economy coupled with satisfactory and permanent construction.

614. You think that after it has been surveyed the County Engineer should go over it?—Yes.

615. It might be better if the County Engineer went with the engineer who has to carry out the work?—It is only to find out a probable estimate of the cost, so that in loading the land the Government would know how much to put on, otherwise they would be loading it in the dark.

616. Speaking of the back blocks, I am afraid that unless it was laid off in large blocks it would break down—there would be more roads than the land could afford to maintain?—Could not the land be cut up to meet the area of the roads it could maintain.

617. *Mr. Paul.*] At the present time the counties are spending money on roads and the Government are spending money. Does the Government expenditure compare favourably or unfavourably with the county expenditure?—I think the settlers would get better value for their money if the work were carried on on a larger scale, because where it is carried on on a small scale the necessary cost of supervision and management runs up to a fairly high percentage.

618. Do you think the present system of the piecemeal construction of main roads is a wise one?—No; because the whole of the work that is done under that system has to be done again and again, necessitating unnecessary expenditure.

619. You think it would have been economical if it could have been done, so far as the Whangamomona Road is concerned, to have metalled it from one end to another in one year?—Most certainly; the larger the work the cheaper it can be done.

620. What system of labour do you find best in the county?—A system of day-labour under thorough supervision would, I think, prove the most satisfactory. It would be practically a contract system, with the county as the contractor, and it would be productive of the best results, because the engineer would have the power of a contractor to take on and dismiss men as he considered advisable.

621. Have you had any experience of the co-operative system?—Not in the county.

622. Does it come under your notice?—Not directly.

623. *Mr. Anstey.*] You recommended the creation of a sinking fund to pay off the cost of roading?—On leasehold sections.

624. That is to say you would charge an additional rent on these sections in order to pay off the cost of this roading?—On the same principle as the special rates in the case of loans to local bodies.

625. Is that a wise system. Do you not think that settlers coming into new land should have their rents as low as possible, and if there is to be any increase make it later?—Perhaps so, but the term for paying up the loan under the lease in perpetuity should be such that the increase would only have to be levied for a time.

626. Is there any necessity to institute a sinking fund for a road which has not been destroyed?—There is always the question of maintenance.

627. At the present time I think there are three bodies spending money over the same area in this county, the Government, the county, and the Road Board. Do you think it would not be much more economical for the one to do that instead of three?—Yes; the cost of administration would be less.

628. Do you think that one body could undertake the whole work, and so abolish the Road Board here now?—I do not know sufficient about the boundaries of the Road Board to answer that question straight off. I think as few bodies should administrate as possible, and it would be cheaper.

629. You have jurisdiction over the whole of that county?—Only in connection with the main road.

630. Would it pay to have a competent engineer to supervise the whole of the Stratford County?—I think not.

631. You say it would be wise for a local engineer to be called in to advise the Department in the case of the laying off of new roads?—Simply to inspect the roads in the interests of the county authorities, who will eventually have to take charge of them, and to suggest any alterations he deems necessary.

632. Do you think this County Engineer will be able to give valuable advice owing to his local knowledge?—I say he should be in a position to do so.

633. Would it be wise to consult the engineer of one of these small Road Boards?—I am only going on the assumption that the counties are in large areas when they can afford to employ competent men to do this business.

634. *Mr. McCutchan.*] I understand from your report that you consider the land should bear the whole cost of roading?—The money for roading has to come from somewhere, and if when the amount of loading is ascertained by previous estimates the prairie-value of the land could be so fixed on that the two together will not overburden the settler who goes on to the land, I think that is a simpler way of arriving at the amount that is required.

635. If the colony were not borrowing large sums of money for reproductive public works that would certainly be a sound position, but in view of the fact that we are borrowing largely for public works do you not think that new districts are entitled to a proportion of that expenditure?—Yes.

636. In view of that fact do you still consider the land should bear the entire cost of the roading?—Not if the policy of borrowing large sums for public works is continued.

637. Can you state the amount of loan money which has been raised by Stratford County Council over all the roads?—Not exactly; but I should say it is very considerably in excess of £100,000.

638. Do you think that when roads are vested in local bodies by the Government the County Engineer and the Government Engineer should go over these roads, say a month before the vesting takes place, so that the County Engineer would have a voice in the taking over of those roads for which he was to be responsible subsequently?—Most certainly; because in the case of grants granted by the Government and spent by the county the Government Engineer inspects the work, and until he is satisfied he will not approve of it. In like manner, then, the county should have a voice in the roads which are formed and which are handed over to the county by the Government.

639. It is the case now that as soon as pegs are put in a road becomes a county road. Do you not think it would be preferable that when a road was laid off into new country it should not become a county road until the Government expenditure ceases and the road has been vested in the local authority by *Gazette* notice?—Under present system, yes.

640. There is some confusion as to definition of roads in the Public Works Act: if this change were brought about it would overcome that difficulty?—Yes.

641. Can you outline the injustice of forcing a local body to spend “thirds” on roads that are not under the County Council control?—Yes. I might take one instance. On the Ohuru Road at the present time there is £800 in “thirds” accrued on the Government portion of that road. It is a main road, and is maintained by Government. If the local body spent that £800 it would do very little or no good to the road, because it is in Government hands at the present time, and is maintained by them through summer and winter both; but if a portion of it were handed over to the county suddenly without notice, the county would have no money to go on with to maintain that portion, so that the amount accrued in “thirds” is a very valuable asset to the county in such a case.

642. *Mr. Anstey.*] Did you not in your evidence say that a system of graduated subsidies on settlers’ rates would enable you to make and maintain the roads?—I said the whole of the initial cost of roading would be borne by the land, but I mentioned that a system of graduated subsidies would serve the purpose of maintaining the main road.

643. What do you call the initial cost—do you mean formation and metalling both?—Forming, culverting, bridging, and metalling it in the first place.

644. The whole of the roads, both arterial and by roads?—Yes.

645. You think that could be borne by the loading of the land?—And by half the rent in respect to “thirds,” as I said.

646. And then the maintenance could be done by a reasonable subsidy on rates?—Yes.

TAIHAPE, SUNDAY, 4TH JUNE, 1905.

ALBERT PULMAN examined.

1. *The Chairman.*] What are you?—I am a dairy farmer, and my holding is three miles from Taihape. I hold 100 acres—60 acres village homestead and 40 acres under occupation with right of purchase. I prefer the occupation-with-right-of-purchase tenure. With rebate I pay £10 2s. 2d. for the 60 acres. The 40 acres is held under the Bush and Swamp Act, and I have not yet had a notification as to what my rent will be. It was all bush land. The grass has taken very well. As to the constitution of the Land Board, I think they should be elected by the members of the Farmer’s Union. Farmers best understand questions affecting land settlement. They are men of experience, and only men of experience should be called upon to administer the land law. In reference to land-tenure, large numbers of people have come to this colony in order to acquire a piece of land of their own, and if the freehold is abolished it will be a most effective means of stopping people coming to this colony. I am in favour of the freehold. In some cases I think that land may be taken up at first under leasehold, but I think that in all cases they should have the option of converting their leasehold into freehold. I think that residence should not be compulsory in all cases. I think there should be an exemption in cases where there are no roads or a school within three or four miles of the holding. I think that this question should be left to a great extent to the discretion of the Land Board. With reference to the pressure of other conditions, I think there is one condition that acts very unfair. For instance, if one man has Crown land adjoining his section he may take up some of that Crown land, but in the case of another man who has no Crown land adjoining he cannot take up further Crown land. This provision of the law acts very unjustly. I think that all tenants should have equal rights to increase the area of their holdings without competition. If one man has that right, all tenants should have that right to make up their holdings to a certain area. In my opinion land has been wrongly classed in many cases. For instance, hilly sheep country has been classed as first-class dairy country. I do not think that is right. I do not think that land surveyors or Crown Land Rangers, or members of Land Boards are the proper persons to determine the areas, classification, and value of new country. I think

this could be more satisfactorily done by farmers with local knowledge of the climate and capabilities of the land. I think the homestead privileges should never have been abolished, and that they should be reinstated as soon as possible, and improved by increasing the area given to applicants to 200 acres. With respect to the ballot, I think that applicants should be classified, and that men possessing certain qualifications should have preference over "undesirables." In regard to the loading of land, I think the amount of loading should be immediately available for expenditure. With reference to the value of leaseholds, I think it should be plus 1 per cent. and interest thereon from date of issue. In reference to the advances-to-settlers system, I think that at present it is too slow and cumbersome, and the proportion of value of improvements advanced is insufficient. With reference to the position and condition of the occupiers of land under the various tenures I think the freehold is the most satisfactory tenure. As to the aggregation of large estates, I think provision should be made that no man should be allowed to own or occupy more than a certain area of land.

2. *Mr. Anstey.*] Do you represent the local branch of the Farmer's Union?—Yes; three members of the local branch were elected to give evidence before the Commission on behalf of the Farmer's Union here. There are between sixty and seventy members in this branch.

3. On what terms do you propose that holders of land under the Land for Settlements Act—that is, acquired estates—should have the right of acquiring the freehold?—I think it would be satisfactory to the whole country if these settlers were given the right of acquiring the freehold.

4. You propose that they should get the freehold at the price they are now paying on?—Yes; they are paying rent on a certain capital value, and I think they should have the right of getting the freehold on that capital value.

5. Then you approve of giving these leaseholders a valuable tenure for no extra consideration?—Every man who makes a success on the land is a valuable asset to the country.

6. Do you not think it would be wise to allow settlers on Crown land to acquire the freehold also?—I think they should be all on occupation with right of purchase.

7. Do you think there are from five hundred to one thousand settlers in this district?—I think there are nearer one thousand than five hundred.

8. You said that you thought the Land Boards should be elected by the Farmers' Union, and you also said that this branch of the Farmers' Union numbers sixty or seventy members. In this district there are nearly one thousand settlers, and yet you say that the members of the Land Board should be elected by the members of the Farmers' Union in this district. Would you prevent other settlers outside the members of the Farmers' Union voting?—Yes; I would penalise them for not being members of the Farmers' Union.

9. *Mr. McCutchan.*] Has there been any dilatoriness in this district in spending the amount of loading?—Yes.

10. To what is it due?—I cannot say.

11. Has there been any expenditure since the Namanui Block has been taken up?—No, I do not think so.

12. Might not the delay in expending the money be due to a desire on the part of the Government to give work to the settlers who have taken up the land?—It might be so.

13. Do you think the interest charged for the loading should continue for the whole term of the lease?—No. I think it would be unjust that it should continue for 999 years. I think it should only continue until the whole amount is extinguished.

14. Under the Loans to Local Bodies Act in twenty-six years the principal and interest is extinguished. Do you think that the interest charged on the loading should cease after twenty-six years?—Yes.

15. Can you give any instance of dilatoriness in connection with loans under the Advances to Settlers Department?—They kept me waiting a considerable time some years ago, but I cannot give the reason of the delay.

JOHN MCKENZIE examined.

16. *The Chairman.*] What are you?—I am a settler residing at Taihape, and hold 101 acres under occupation with right of purchase. I have held my land for nine years, and I pay 5 per cent. on the capital value. My section is an improved farm in Block IX., Section 5, Hautapu Survey District. I am in favour of the occupation-with-right-of-purchase tenure. My land was bush land when I took it up, with the exception of 15 acres. It is pretty well cleared now. My farm is about five miles from Taihape. I have only got a summer road to my holding. I consider that the members of the Land Board should be farmers. They should be men who are acquainted with the land. I have, however, no complaint to make against the Land Board. I am in favour of the freehold. I have had no experience of the advances-to-settlers system. I consider that if you have not got the right of purchase, you cannot borrow money in the same way as you can as if you have the right of purchase. My land was loaded for roading at 5s. per acre. A track was formed to my holding, but I do not think we will ever get a road up our way. We have no metal there. The areas of the holdings are so small in our district that we could not pay the cost of the metalling of roads to such small areas of land. If we had larger areas I think it would be much cheaper for both the Government and ourselves, because we could then do with fewer roads. In some cases the cost of fencing is more than the value of the land.

17. Have any of the people who have taken up 100-acre sections left them?—Yes, some three or four of them have done so, but fresh settlers have taken their places.

18. *Mr. Anstey.*] Is there both a County Council and a Road Board in this district?—Yes.

19. Do you know whether these two local bodies expending money over the same area is an economical way of spending it?—They have taken our rates for nine years and they have not spent a penny

in our district. In reply to our request for expenditure, the local body replied that they were in debt and that they could not clear the slips because they had no money. There are twelve other farmers who use the road I am interested in.

20. What area do you think those farms ought to be in order that a man may make a comfortable living from them?—I think that no man should hold less than 200 acres at least.

21. *Mr. McCutchan.*] Would you be in favour of legislation being passed to force the local bodies to keep road accounts so that the settlers might know that the money was expended?—Undoubtedly.

22. You say that lenders discriminate between the 4 per cent. and the 5 per cent. tenures. Can you give us any instances?—I have never applied for any loan under that Act, but I have no doubt that the man with the right of purchase can borrow when the holder of a leasehold cannot do so.

THOMAS MCKEAN examined.

23. *The Chairman.*] What are you?—I am a settler holding 200 acres under lease in perpetuity. I have held my section for twelve years, and my rent is £13 16s. a year. My land is section 20, Block XVI., Hautapu Survey District, and is about thirty miles from Taihape. We have very good roads. I may say that my father and one of my brothers and myself hold 600 acres between us. I infinitely prefer the lease-in-perpetuity tenure. The first and the greatest reason for disliking the lease in perpetuity is that we think the day will come when a Fair Rent Bill will be passed. That fear has overshadowed us ever since we took up the land. Sir John McKenzie, who introduced the lease-in-perpetuity system, also introduced within four years a Fair Rent Bill, and although many people declare that he never intended it to be retrospective; he emphatically declared that it was to be applied to all the land in the colony. Mr. Seddon himself has introduced the Bill several times since then, and that Bill contained a provision that it should apply to all land. I cannot help thinking that the day will come when such a Bill will be passed—that is, unless the whole political aspect changes its present course.

24. Do you not think that if the Legislature endeavoured to break a contract with the tenants that they might deal similarly in respect to freehold land?—Leaseholders under the lease in perpetuity are a very limited number—perhaps not more than ten thousand in the whole colony—but we have a huge army of freeholders, and I think in view of those numbers no Government would dare to interfere with the freehold.

25. What is your opinion in respect to the constitution of Land Boards?—I think that Land Boards should be elective. I suppose it will always be necessary to have the administrative officer—viz., the Commissioner of Crown Lands—appointed by the Government, because the Government must be represented; but I think the remaining four members of the Board should be elected by the settlers interested.

26. Under what franchise?—I think that all occupiers of rural land should have a vote in the election of members of the Land Board.

27. Have you had any experience of the Advances to Settlers Department?—Yes, and I have no complaint to make against it. I would like to give the Commission an instance of what banking and mercantile people think of the lease in perpetuity. Some years ago we had a dairy factory in the district, and in one part of the district it was desired to erect a creamery, and eight of the farmers in that district were prepared to sign a joint and several bond for a loan—and I may say that some of the settlers were worth very much more than the amount of money required—but the bank would not advance the money on the ground that a Fair Rent Bill might be passed at any time which would destroy our interest in our land. In any such dealings financiers have always raised the point that the lessees simply hold a tenure which might be interfered with at any time.

28. When you took up your land had you any option of tenure?—No, the lease in perpetuity was the only tenure under which we could take up the land.

29. Upon what terms do you consider you ought to get the freehold?—By paying the 1 per cent. for the number of years we have had the land, I consider we ought to get it at the original valuation.

30. Do you think that all settlers ought to be given a similar right?—I think that all Crown tenants should be given that right except those who have taken up improved estates. The country has borrowed money to acquire these improved estates, and I think as long as the country owes that money the Crown ought to own the land as an asset against the indebtedness.

31. Do the lease-in-perpetuity settlers farm their land as well as freeholders do and put on as substantial buildings?—I think so.

32. If you were quite secure in your tenure do you think it would be satisfactory?—Yes. Of course, there is always liable to be some trouble as long as you are under the thumb of the Land Board.

33. Do you not consider there should be some restrictions imposed on freeholders?—Yes, I consider that the primary cause of land troubles in most countries has arisen from the large areas held by individuals. I think if we had restricted areas in New Zealand the land question would be settled once and for all. I am of opinion that the residence conditions are very often harsh and exacting, and I consider that the Land Board should have more discretionary power.

34. *Mr. McCutchan.*] How long ago is it since the bank refused to advance the money on a joint and several guarantee?—About eight years ago.

35. Have you been able to finance the creamery since?—The Dairy Company guaranteed the account and we got the money.

JOHN KRAIGER examined.

36. *The Chairman.*] What are you?—I am a settler holding 83 acres under occupation with right of purchase, and I have held my land for ten years. My rent is £13 17s. 4d. My section is twenty-one miles by road from Taihape, and it is Section 14, Block X, Hautapu Survey District. I have a good metalled road to my place.

37. What are your views in respect to land-tenure?—I approve of the occupation with right of purchase. I would like to draw the attention of the Commission to this, that there is a considerable area of Native land in this district, and I think the Government should acquire that land. There is close on 18,000 acres of Native land which is at the present time idle, and there are some 4,500 acres of that land which is suitable for settlement at present.

38. *Mr. McCutchan.*] You raised a loan under the Loans to Local Bodies Act for your road?—Yes, and we got a subsidy of £160 on a £200 loan.

39. For how many years do you pay sinking fund on that loan?—I think there are nineteen years yet to run.

40. The “ thirds ” will pay interest on the sinking fund for nineteen years?—Yes.

41. What is the rating in the pound on your valuation?— $\frac{1}{20}$ d. It is merely nominal.

42. Do you think the Government could help the settlers in the way of giving work in bushfelling and road-making?—Yes, and I think that system should be continued.

HANS PETER GLERUP MORTENSEN examined.

43. *The Chairman.*] What are you?—I am a watchmaker and jeweller, and have been about eighteen months in Taihape. I am the occupier of a section in the Kawatau district. I hold 1,348 acres under occupation with right of purchase in this district. I felled 250 acres of bush last year. My rent is £50 10s. a year. I have got a road to within five miles of my place, and there is a very bad track the rest of the way, in fact the track is almost impassable. The Government has promised that the road should be completed, but that promise has not so far been fulfilled. Some men were put on to work on the track, but not on the bad portion. I think it is the duty of the Government to make this road, seeing that they have promised to do so. The settlers have promised to pay a portion of the cost of the formation of the road. I may state that my relations with the Land Board have been satisfactory. I think the lease with right of purchase is a very good system, and I am of opinion that if the residence claims were struck out it would be very much better. Owing to the want of a road, and there being no school within a reasonable distance, the section is not fit to take a family there. If a man were given the right to acquire his freehold at any time, it would improve his position very much. If I could make the land freehold I could get money at 5 per cent. in order to make necessary improvements, whereas now I would have to pay $7\frac{1}{2}$ per cent. I may add that I have already effected a great many improvements on the land, and I propose to do more.

MICHAEL O'BRIEN examined.

44. *The Chairman.*] What are you?—I am a farmer and hold 99 acres under occupation with right of purchase, and have held the land for eight years. My rent is £10 a year, and my land is situated four miles and three-quarters from Taihape. It was originally bush land, but I have cleared and grassed a good deal of it. I am satisfied with the occupation-with-right-of-purchase tenure. My relations with the Land Board have been satisfactory. I have had no experience in connection with the Advances to Settlers Department.

45. Is there any particular point you wish to bring before the Commission?—There is a big block of Native land adjoining my holding. The Natives will do nothing with it. I think the Government ought to acquire that land and throw it open for selection. There are a great many settlers in the district who would be glad to take up some of this land. The area of the Native land I refer to is about 4,000 or 5,000 acres. 100 acres is too small for a man to make a living off. At the very outside a man can only graze two sheep to the acre. If you get a good summer you can fatten lambs. The settlers in the district cannot supply half the demand for stock.

46. *Mr. Anstey.*] What sized farms do you think you ought to have in order to make a good living off them?—Not less than 200 acres. Most of the farms are 200-acre blocks. The sections in the improved-farm settlements are 100 acres each. I think, as I have said, that the Native land adjoining the settlement ought to be cut up for settlement purposes.

47. *Mr. McCutchan.*] Are there any Natives living on that block?—No.

48. That land is being increased in value by the public works going on in the district?—Yes.

49. And the owners are not contributing in anyway to the local rates?—No.

ALBERT PULMAN further examined.

50. *The Chairman.*] I understand you would like to make a further statement to the Commission?—Yes, I would like to say something with reference to the valuation put on my land recently. There was some land opened up not quite twelve months ago, and although it is very broken and hilly—that is, the portion I took up—it has been valued at £2 16s. 6d. per acre. The area was 40 acres under occupation with right of purchase. In the case of the adjoining land it was valued at only £1 16s., and the latter was better land and was taken up only two months previously. It appears to me that the valuer has not done his work properly. The lesser price has been put on the better class land. I did not get my section at the ballot. The Minister decided that we ought to have the right to increase the area of our holdings and we increased them to 100 acres. It is an excessive valuation.

51. *Mr. McCutchan.*] Do you think the present method of valuing the land is satisfactory?—No, I think the valuer should be a farmer or one who has local knowledge of the climate and capabilities of the land. I think the members of the Land Board should visit the blocks and revise the valuations. If the Government nominated a member of the Board from each district I think that would be an improvement on the present system.

THOMAS MCKEAN further examined.

52. *The Chairman.*] I understand that you wish to submit to the Commission a letter that you have received from Thomas C. Revell, representing the Pohonui Branch of the Farmers' Union?—Yes. Two gentlemen who were appointed by the Pohonui Branch of the Farmers' Union came into Taihape yesterday expecting the Commission to sit here, but owing to the exceptionally bad weather resulting in landslips on the railway line and road, the Commission could not reach Taihape, and, as these settlers wish to reach their homes before dark, they had to return early in the day. They, however, asked me to read the following letter to the Commission:—

“Taihape, 4th June, 1905.

“DEAR SIRS,—I regret not being able to wait to give evidence before you on the land question; I was to have given evidence on behalf of the Pohonui Branch of the Farmers' Union; I am leaving my evidence in writing. (1.) The Pohonui Branch of the Farmers' Union is unanimous on the limited freehold. (2.) They uphold the right-of-purchase system. (3.) That land should be classified properly, not as it is now, rough and broken country classed as first-class land. (4.) Roads promised should be made; some have been promised for the last ten years, and have not been made yet, and settlers are loaded with 5s. an acre to make the roads. (5.) That all waste lands be cut up and sold or leased with right of purchase in limited areas. (6.) That a law be passed to prevent the aggregation of large freehold properties. (7.) That Maori land be treated the same as land held by Europeans. In conclusion, we strongly urge the Government to make the land law limited freehold.—Yours &c.,

“THOMAS CHARLES REVELL.

“The Chairman and Members, Land Commission.”

HARRY LUNDIUS examined.

53. *The Chairman.*] What are you?—I am Crown Lands Ranger of the northern portion of the Wellington West Coast district.

54. I understand that you have been acquainted with this district for a long time?—Yes, since 1891, and there has been wonderful progress in the district during that period. The settlers are now doing fairly well. Want of roads is a great trouble. A fair number of transfers have taken place—generally at advanced figures.

55. With reference to the block of Native land which has been referred to, do you think it would be taken up readily if it were acquired and thrown open for settlement?—Yes.

56. Is there any other matter you would like to refer to?—I think it would be a great benefit to the district if greater borrowing-powers were given to the local bodies. In most districts the settlers are only too willing to rate themselves, but loans to various local bodies have already been bespoken for some years ahead. I think the Government would be quite safe in granting these increased powers because there is ample security.

57. Has the amount of the loading been expended?—I think it has, and I also think some additional money has been expended in the way of grants.

58. Are the settlers carrying out their improvements fully?—Yes.

59. With reference to residential conditions, are there any great cases of hardship?—Yes, but in any case that has been brought under the notice of the Board in which it has been found there has been general hardship, the Board generally grants some exemption from residence. I think the law ought to be altered so as to give more latitude to the Board in dealing with these cases, but I think that residential conditions should be enforced except in certain special cases. I do not think a man should be forced to reside on his land until he has reasonable access to it, but after that, I think residence should be enforced.

60. *Mr. McCutchan.*] Then the cure in regard to the trouble as to residence is that there should be a satisfactory roading policy?—Yes.

MANGAWEKA, MONDAY, 5TH JUNE, 1905.

DAVID HENRY GUTHRIE examined.

1. *The Chairman.*] What are you?—I am a settler holding 630 acres under lease in perpetuity, which I have held for about thirteen years. It is situated in the Ruahine district, nine miles from Mangaweka. The tenure is not satisfactory to me. I come before the Commission to give evidence on my own behalf and as representative of the Rangiwahia Branch of the Farmers' Union, and also as representing the late conference of the Farmers' Union held at Wanganui; and, in addition, I am here as the special representative of the settlers of the Marton Small-farm Association Nos. 1, 2, and 3. On their behalf, and in order to put before you our views in a concise form, we have reduced our statement to writing, which, with your permission, I will now read:—

“We, the undersigned Crown tenants in the Marton Nos. 1, 2, and 3 Small-farm Settlement, and in the surrounding districts of Rangiwahia and Ruahine, beg to state that we desire the right of converting our holdings from lease in perpetuity to freehold for the following reasons: (1.) Most of us never were given in the first instance the option of taking up our sections under any tenure except the lease in perpetuity. (2.) Settlers afterwards taking up unselected, surrendered, or forfeited sections in this district were given the option of taking up these sections either for cash, occupation with right of purchase, or lease in perpetuity, thus giving them a distinct advantage over the original selectors. (3.) The insecurity of the lease-in-perpetuity tenure, which has already been attacked five times by the introduction of what is called a Fair Rent Bill, embodying the principle of revaluation, has had a very detrimental influence on the Crown tenants' interests, the aim of this periodical revaluation being to raise the rental as soon as the tenants by the expenditure of their time, labour, and money.

have increased the value of their holdings. (4.) Because, by the action of the Valuation Department, the Crown tenants' interests are sacrificed through writing down the value of their improvements and adding this to the unimproved value so as to unfairly increase Government interest in the sections. (5.) Because of the power any Government might exercise through an Act of Parliament in changing the original terms and conditions of lease, which really destroys the security of tenure and thereby enormously reduces its value. (6.) Because we wish to free ourselves from that most unjust imposition of loading at 5s. per acre for roads, which, under lease-in-perpetuity tenure, is to go on for 999 years, so that a 200-acre section will pay in that time £1,998, while a cash purchaser of same section has only to contribute £50, and selector under occupation with right of purchase £75. (7.) Because of the difficulty of transfer and stringency of residential conditions, which require on lease in perpetuity a residence of ten years, while a selector under occupation with right of purchase has only to reside for six years. (8.) Because at the decease of a Crown tenant there is a danger of his family losing his property through not being able to comply with all the stringent and irksome conditions. (9.) Because of the difficulty of subletting either grass or bush for milling owing to Land Board restrictions. (10.) Because all the above, working together, renders our leases practically useless as a security in the money market, and renders it almost impossible for Crown tenants (outside of the Government Advances to Settlers Office) to borrow on the security of lease-in-perpetuity tenure; in the few cases where tenants have been able to do so, it was only at a much higher rate and because the borrower was known to be a reliable and honest person. (11.) Because it is desirable, in the interests of the individual Crown tenant as well as of the State, that all sections of the farming community, forming as they do the largest number of wealth-producers, should be placed in the position of enjoying the fullest sense of security and confidence in their undertakings. (12.) Because we believe that this condition can only be found in its truest and fullest sense under freehold occupancy of the land, which tends to give every man a pride in making the best of his surroundings because it is his own and family's home, thereby calling into activity his best energies and endeavours. (13.) Because, seeing this lease in perpetuity is such a ridiculously bad bargain for the colony, it must break down sooner or later, and therefore at the present time, while it is possible to do justice to the Crown tenants, they ought to be granted the option of obtaining the freehold title to their sections, if they so desire, by paying for same the same amount as would be required had they taken up their land under occupation-with-right-of-purchase tenure." [Signed by fifty-six Crown tenants.]

"We, the undersigned, having had charge of the above petition, hereby affirm that we obtained a unanimous signature in our districts showing that the settlers are unanimous in the desire to obtain the right of converting their titles from lease in perpetuity to freehold.

"ALEX. CAIRD.

"R. H. H. GUTHRIE."

I would like to say that I brought this petition before the conference of the Farmers' Union, at Wanganui, on the 30th of last May, which was composed of delegates representing the whole of the Wellington Province. This is the indorsement which they have put to that petition:—

"Mr. Guthrie brought this question up at the conference of the Farmers' Union of the Wellington Province, held in Wanganui on the 30th May, 1905. The members of the conference, having heard the objections raised and carefully considered them, passed the following resolution: 'That we, the representatives of the Farmers' Union of Wellington, met at Wanganui in conference, thoroughly indorse the objections in the accompanying petition raised by the settlers in the Marton Nos. 1, 2, and 3 Small-farm Association to the lease-in-perpetuity terms, believing that the objections raised by them are valid and well founded.' I affirm that this is a true copy of the resolution passed.

"JAMES G. WILSON, Chairman."

I might say that the notice of the Commission's meeting in our district was so short that we have to rush the petition through, and because of bad weather we have not been able to get the whole of the lists of signatures in. So far, we have not received one solitary objection to signing the petition, which shows a unanimous desire on the part of the Crown tenants to convert the lease in perpetuity.

2. Are the petitioners all Crown tenants?—Yes. In connection with the general scope of the Commission, I would like to make the following statement: The Commissioner of Lands ought to be appointed by Government; all other members should be elected by vote of the landholders of the district. The tenures should be freehold, deferred payment, occupation with right of purchase, lease in perpetuity with the option of making it freehold when the tenant so desires. Crown tenants certainly labour under restrictions which are inimical to their interests and unnecessary in the interests of the Crown, as follows: (a.) Difficulty of transfer. (b.) Danger of forfeiture through tenants' interests may be five times that of the Crown. (c.) Stringency of residential clauses. (d.) Insecurity through threatened danger of revaluation. (e.) Danger in case of decease of tenant that the holding may pass from lessee's heirs. (f.) Difficulty of subletting either grass land or bush for milling. (g.) The Land Board having the power to change or alter the regulations by sanction of Minister. (h.) That blocks of land, notably Marton Small-farm Association Nos. 1, 2, and 3, were not given the option of taking up the sections under any tenure except lease in perpetuity. (i.) All the above, working together, have the effect of lessening the value of a Crown tenant's lease, and place him, as compared with a freeholder or licensee under the occupation-with-right-of-purchase tenure, at a great disadvantage in the money market. Residential restrictions are certainly too exacting at present. So long as improvements are effected and land worked properly, it should not matter who occupied or farmed the land. Plenty of Crown tenants now struggling for a living on their sections would have been more successful had they been allowed to follow their trades or professions until they had their sections improved sufficiently to make a living off them. In cases of non-residence, it might be wise to require an increased amount of improvements each year. No hard-and-fast rule should apply to all land as to occupancy, seeing that conditions of climate, character of land, situation, and access vary to such

a great degree. In some places occupancy might be required within one year, while in others, with equal justice to selectors, it would be unfair to insist on occupancy for seven years. The terms first- and second-class land are only comparative terms referring to one particular locality or block, and have no value as comparatively descriptive terms applying to the lands of the colony: their only effect is to restrict the area of holdings. Land of good quality, suitable for agricultural purposes, with fair access, should be classed first-class, all broken country and difficult of access, fit only for pastoral purposes, should be second-class land. In many cases the amount of loading for roads has been spent fully by Government on co-operative works, but this method has not resulted in the districts receiving a full or fair return for the amount expended. Much better returns would have resulted had the money been spent on the contract system. Loading on lease-in-perpetuity sections is ridiculous. Crown tenants are certainly placed at a great disadvantage in borrowing, either from private sources or the Government Advances to Settlers Office. Their leases are only recognised as a very unsatisfactory security by private money-lenders owing to the restrictions under which the leases are granted and their liability to alteration. Any loans obtainable are charged a much higher rate of interest, and, further, the reliability and honesty of the borrower are really the determining factors in all such loans. The Government Advances to Settlers Office only lends small sums in proportion to what a freeholder can obtain in the money market, and, before granting any loan, requires a revaluation of the section, and insists on improvements been valued according to its schedule rates. The condition and position of those holding freehold or the right to obtain same are far more satisfactory, and better than the occupier who has only a leasehold title to his lands. The tendency of the present time is towards the cutting-up of big estates rather than the aggregation of large areas.

3. Is that statement on the same authority as the petition?—It was discussed at our meeting and thoroughly acquiesced in, but we did not get a resolution on it authorising "it to come" from the meeting.

4. It is your own, so to speak?—It is my own as representative of that district. I would like here to bear out my statement in regard to borrowing, and to show that what I said is perfectly true, that the lease-in-perpetuity holder is at a great disadvantage in the money market. This is portion of a circular sent out by a money-lending firm when starting a new branch of their business in this district. The circular is dated the 22nd May, 1905, and says: "We take this opportunity of notifying that we have money for investment at 5 per cent. on good freehold securities. The mortgage deed gives borrowers the right to repay their loans in sums of not less than £25 on their giving not less than three months' notice. We can in all cases advance moneys to persons desiring to convert Government leaseholds into freeholds. We have practically an unlimited supply of money for investment on occupation licenses, small grazing-runs, and education leaseholds. We can in many cases make advances against lease in perpetuity."

5. Who is that circular from?—From Messrs. Fullerton-Smith and Miles. They are a very large money-lending firm doing a large amount of business in this district. I came before you as a holder of a lease in perpetuity, and you may wonder that I have taken such a lease when I am opposed to it. I was one of the first to take up that lease, and I took it up because it was 1 per cent. cheaper, and because I was advised by those who I thought knew more than I did that I was saving 1 per cent. I no sooner had taken the section than I was sorry, because I could see from the Press that public opinion was that the thing could not stand. It was an eye-opener to myself and others that three times in the late Sir John McKenzie's time and twice in Hon. Mr. Duncan's a Fair Rent Bill was brought before the House, and on one occasion when introduced by Mr. G. W. Russell, of Riccarton, was only beaten by two or three votes. That showed that the fulfilment of our leases depended on the will of the people of the day. Any Government having a majority of Parliament behind it evidently can pass a law providing for revaluation of our leases. Had that idea been given to us in the first instance not one out of one hundred who have taken up the lease in perpetuity would have done so.

6. Was it specially proposed in the Fair Rent Bill to revalue lease-in-perpetuity settlers' land?—Yes. It was to apply, as the Hon. John McKenzie said, to every acre of land in New Zealand. It was also said that it could not be retrospective because the Crown had issued a lease, but that lease is subject to the will of Parliament.

7. I want to be clear about the Fair Rent Bill. You have indirectly answered my question, but have said it was not to be retrospective: all those who took up land under lease in perpetuity up to the passing of the Bill, supposing it had passed, were perfectly secure?—No; I take it the other way about. The Hon. John McKenzie was asked the question in the House, and he said it was to apply to every acre in New Zealand.

8. You said it was to be retrospective?—Yes; and that was only an argument in favour of it used by the party bringing forward the measure.

9. Supposing they passed the most fantastic Fair Rent Bill in the world, if it was not retrospective it would have no influence on your lease; Parliament would never break a sacred contract entered into with yourself and the State?—One would think not, but you have only got to look at the force behind that Fair Rent Bill; it was brought in on the tide and forced on by a section of the community who said it was to apply to all the land in New Zealand. A copy of the Bill will be placed before you at one of your sittings.

10. You said the Land Board should be elected: do you mean that all the settlers in a particular land district, meaning all those who have an interest in land, should elect the Board?—Yes.

11. People in towns hold an interest in land?—I would not deny them the right.

12. That would be very expensive?—We adopt many expensive processes in our legislation, and it would be reproductive even if it was productive of expense.

13. What are your objections to the present constitution of the Land Board?—Personally, I have no objection. I have no reason to object to the Land Board, which has always treated me exceedingly

fair; also, so far as the whole of the *personnel* is concerned, I have received nothing but courtesy from the Land Board and its officers. The position is that the Land Boards are quite willing to do what they, as sensible men, would deem to be right, but they are hedged round by legislation and restrictions which are more powerful than they are. There is discretionary power given them which carries with it responsibility, and the Land Board recognising that responsibility will not exercise it. Those restrictions ought not to be so placed, but should come direct from the law and not be left to the will of the Land Board. At the present time the Government of the day make regulations and appoint their own men to administer them according to their own way. That is only natural. Therefore I think they would have much greater confidence if the Board was elective, and especially so as I consider that the Land Boards of the colony are amongst the most responsible and important institutions which we have, seeing that we are practically an agricultural country and that the land has to make the wealth and living of the people. Seeing that it is considered necessary and right that the people should elect the administrators of the affairs of the colony generally, they should have the right to elect the people who administer the land.

14. You may have an election of a Land Board that differs from the ordinary election of Parliament. The Government of the day simply represents the majority of the people, and they have a policy to carry out, and if they have the nomination of the members of the Land Board the thing will work sweet. In other words men are appointed who are in touch with the prevailing sentiment of the time, but if you have an election, say, in the middle of Parliament you may get in an altogether adverse set of men; and, as the law now stands, the Land Board and the Minister for Lands have to work in concert; therefore, if what is proposed was carried out a deadlock might occur and no business would be done at all?—Your argument establishes my case, for this reason, that that is exactly the point. It is the people whom the law affects that ought to have the voice in the administration of it. If the Government passes a law and then appoints a Board to administer that law, the people have no voice at all except in the election of members of Parliament.

15. *Mr. Anstey.*] You think the residential conditions too exacting?—Yes.

16. If your views were given effect to, and a little extra improvement made to suffice for residence, there would be a great many people holding leases who would not reside on the land, and the really *bonâ fide* settler who goes with his wife and family would lose the benefits of schools, churches, and general social life?—I take it that I have got the people at my back in this view: that if you put on an increased amount of improvements and force a man to make those improvements somebody must be on that section, because no man is such a fool as to spend money without getting some return for it; it matters very little whether it is John Thompson or Bob Smith is on the land so long as a man is there, and the land is brought into productiveness. If the land is a wealth-producing factor it does not matter whether one particular man is on the land. There is also this to remember, that there are numerous men who are anxious to get on the land, but have not sufficient money to buy it right out and to make all the improvements. They cannot do it by the present regulations, which compel them to live on the land. In connection with the lease in perpetuity many of the holders have not made their money on their sections, but have to find work off it, and yet the Land Board say that they must reside on their land. There is also this grievance that is felt. Take the case of two brothers who are unmarried and have sections adjoining one another; even though their house may be quite close to the boundary of the two sections they are not allowed to live in the same house, but must each erect and reside in a house on his own section. The Land Board, as reasonable men, might, if they had power, prevent a thing of that sort, but, as the law stands now, they cannot help themselves.

17. You think the law should be amended?—Yes.

18. *Mr. Anstey.*] You say that the money-lenders think the lease in perpetuity is not a good security, and that it is only their personal confidence in the lessee that induces them to lend money at all?—If they have not personal confidence they will not lend the money.

19. I did not clearly gather on what franchise you thought the Land Boards should be elected?—I am not prepared at a moment's notice to say. The parliamentary franchise, if the country determines it. It is the principle of election that we are decided on.

20. The question of franchise is the most important factor in the whole thing: do you think the parliamentary franchise is the best?—In justice to the landowners in the towns we must agree to something of that kind, although it would include many who have no right to have a vote on the land question.

21. Supposing you had the right to elect on a parliamentary franchise, and, considering the many conveniences the people in the towns have of attending polls, say, in Wellington, four agitators were elected, would that be satisfactory?—If it was the will of the people that those four should be elected we would have to grin and bear it, but I think the good sense of the people would make it all right.

22. You say the Land Board should only be administrative: do you say the restrictions should be removed by law?—The conditions should be amended to make them less restrictive.

23. Supposing you did away with residential restrictions altogether, do you think you would have any population at all?—Yes; in our locality we would, and it would have helped the settlers in the early days to get over the difficulties they had to face.

24. Supposing you take away all the discretion from the Land Board, what would be the advantage of having the Board elective; you might as well have the affairs administered by a policeman?—I do not propose to do away with the discretionary power of the Land Boards, but I propose to do away with the great discretionary power and onus thrown on them at the present time.

25. How would it be possible to pass a law fixing the conditions of settlement all over the colony: is it not much wiser to elect practical men in each district with discretion?—Yes.

26. If you lay down one strict law for the whole colony it would bar settlement?—I never meant for a moment to say that the Land Board was to have no discretionary power; I meant to infer that

the discretionary power given to them should be such that they are not afraid to administer and act on.

27. Does the Wellington Land Board not exercise a wise discretion in doing away with residence?—They do as far as I am personally aware.

28. You think it would be wise to have that discretionary power retained, and even increased in certain cases. For instance, if there was no road, would it not be wise to give the Board discretionary power to allow residence conditions to stand in obedience?—Yes.

29. You think the discretionary power should be increased?—Yes.

30. That is opposed to your original statement?—I say that that discretionary power should not place the Land Board in conflict with the policy of the Government of the day. They are Government appointees, and it would be an invidious and absurd position to put them in.

31. Are you in favour of restricted holdings?—Yes.

32. How about the anomaly of first- and second-class lands?—A man with a family can make a living on 640 acres of first-class land outside. I think we ought to have another classification. As I say, a man on agricultural land can do well on 640 acres, but if you put that man on to 640 acres in the bush it is not enough. I admit that there are certain lands, even in the bush and open land, which are different from other lands, and therefore first-class bush and open land should be divided into two classes. If the broken land is of good quality it should comprise a second section of first-class land and be allowed an area of, say, 1,000 acres, and retain the present area for what we now call second-class land, 2,000 acres.

33. Is all bush land second-class land?—No; in the Kiwitea district there is bush land that in time would become to be most decidedly, and is to-day, first-class land.

34. Do you think it would be wise, in opening up that land, to open it up in areas of 1,000 acres?—No; because it is what I consider first-class now.

35. Would it be wise to have a limit up to 1,000 acres?—Yes.

36. Would that apply to most of the bush land?—In my experience it would.

37. According to that the present settlement, which is going on in areas of from 100 to 300 acres, is totally wrong?—The position of those tenants to-day is this: that now they have got over their initial difficulties they can make a living, because sheep are at boom prices; but no one expects that sheep and wool will remain at those prices.

38. Do you think it would be wise to allow them to aggregate those sections?—Yes, within reason.

39. Up to 1,000 acres?—No; because I consider a good deal of that land would be classed as first-class land and become good agricultural land.

40. There is a very small quantity of land about here that is level, and you think it should go up to 1,000 acres?—Yes.

41. Are there any education reserves in this neighbourhood?—Yes.

42. Are they kept occupied?—Some are occupied and some are lying idle.

43. Do you know the terms of the leases?—Twenty-one years, with payment for improvements.

44. What proportion of these are lying idle?—I could not say, but most I should say are taken up.

45. You said that if leased with a revaluation clause not a single section would be taken up in the whole district?—I said that not one would have been taken up in the Marton Small-farm Blocks if it had been thought at the time that revaluation was to come up.

46. Supposing there was a form of lease giving really good terms, notwithstanding the fact that it contained revaluation, do you think sections would be taken up to-day?—They would take them up with their eyes open.

47. What is your attitude with regard to lease-in-perpetuity settlers under the Land for Settlements Act?—We are not brought into contact with those settlements up here, but my own opinion is that, if the Government sold any of this leasehold land, it is only a matter of a small calculation to prove that the wealth of the colony would be very much increased.

48. You think it would be better for the Government to revert to the occupation with right of purchase?—Yes, I think that the occupation with right of purchase will give a better class and more contented settlers.

49. On what value would you give the land for settlements lease-in-perpetuity holders the right of purchase, having regard to the fact that they are at present paying 5 per cent.?—At the original value.

50. *Mr. Johnston.*] Have you seen any settlements under the Land for Settlements Act?—I know the Ohakia Settlement and the Aorangī Settlement.

51. Are they settled successfully?—Yes, so far as I can tell.

52. You say that Land Boards ought to be elective: if you had a large estate and you leased it out, would you allow the tenants to elect a member to dictate the terms of lease?—No, if I leased a large estate to tenants, those tenants would take up the land under certain conditions which would be agreed upon and which they could force me to abide by.

53. There are certain regulations which might be necessary in managing this estate later on?—There is no analogy between them and Land Boards.

54. You said that certain regulations were made, and that the Land Board had to administer them: if a law was made, would not the Board have to administer that?—Yes.

55. What is the difference?—This, that the law-makers should not appoint the administrators.

56. If the tenants elect the Land Board, are they not electing their own masters?—No, the Crown is their master.

57. What is your objection to the advances to settlers: have you had any experience of them, and they would not give an advance satisfactorily?—The general impression is this: that they only lend up to 50 per cent., and that 50 per cent. is not what they will offer. I am not prepared with figures, but there are known cases where the amounts offered have been simply ridiculous in comparison with the improvements. There is one case that strikes me now, where the man applied for something like £200 on a fair valuation, and he was offered £46.

58. They offer up to 50 per cent. ?—They have power to.

59. Would you class Kiwitea land the same as the Manawatu flats ?—There is a great difference between the Kiwitea and the Manawatu flats, and the land you see about here.

60. What is the best way to classify land ?—You cannot get any classification that would meet every case, but on a broad principle I think that agricultural land, such as you speak of and in Kiwitea, which I think will become magnificent agricultural land, ought to be classed as first-class land, and any such land, no matter whether in the bush or not, should be first-class land, and the area restricted to what I say.

61. Do you think it is possible to classify the whole of the lands of the colony ?—I do not know ; but as the land comes in, it ought to be possible.

62. Would you restrict the area to the carrying-capacity of the land or to the area of first-, second-, and third-class land ?—To allow a man to make a living for himself and family it would not matter which. In the first instance, you cannot find out the carrying-capacity of the land, and before the time you do, your classification would have to be completed. For that reason I say area is the best way.

63. When the Marton Farm Settlements were first thrown open, was there not a rush to take up the land on any terms whatever ?—They were told at the ballot that the land they were taking up and the tenure it was offered under was as good as freehold. Nobody had had any experience of lease in perpetuity at that time, and it being a 999-years lease, and a Government lease at that, it was supposed it would be a gilt-edged security in the money market, but we found out it was nothing of the sort.

64. Your objection is that not being a negotiable security, it is not in the best interests of the colony ?—That is one.

65. You do not think it is necessary to have these restrictions so as to put down dummyism ?—I think it is quite right to put down dummyism, but I do not think the restrictions were necessary to the extent to which they were made.

66. *Mr. Paul.*] You believe that sooner or later the lease in perpetuity must be altered ?—I do.

67. You think it is a bad bargain for the State ?—I do.

68. Is it a good bargain for the tenants ?—If we could rely on it it would be all right.

69. Up to now there is one solid objection to it : that it is not regarded by financial men and institutions as security for money ?—Is that the only objection you have to it.

70. Is that your only objection to it ?—No, it is only one.

71. What are the others ?—I have given you thirteen.

72. Is there anything in the conditions of the lease in perpetuity which prevents the holders making every use of the land and getting the best out of it ?—No, provided he has the means of doing it ; but the uncertainty of tenure robs him of that means, because we know perfectly well that the majority of the settlers have to go to the money-market.

73. It is your experience that the large majority of bush settlers must borrow ?—Yes.

74. Although you had a string of objections, you find that there is one solid objection, and the others are based on that one ?—No.

75. Tell me what some of the others are ?—I gave you an instance of the difficulty of subletting the land, and I gave you an instance of a holding passing from a lessee's family at his decease. A Crown tenant might die, and if his heirs are not eligible, or if they are not prepared to carry out the conditions it must pass from them.

76. Have any such instances come under your notice ?—One very serious case has come under my notice.

77. What was it ?—It was a case where a man died, and the widow petitioned the Land Board and special representations had to be made to the Land Board on behalf of the widow, and had those representations not been made she would have had to pass out of the section. There is another case of which I am not thoroughly master of the details, but I understand that the family really did not lose the section.

78. Do you think the Land Board went outside the law or did not administer it with fair discretion in the first case you speak of ?—No, I think the Land Board met the representations made on behalf of the widow in a very reasonable and just way, and did all they could to help the widow.

79. Was the ultimate result fair ?—Yes.

80. The widow came into her own ?—Yes.

81. Then that case ended up all right ?—Yes, but had the Land Board been other than just and reasonable men it would not have so ended. I know that the Land Board and the officers went to very considerable trouble with a view to help on the case.

82. Is it not reasonable to suppose that the Land Boards will be composed of reasonable men ?—I only speak of what I find myself, and I say I have always found the Land Board perfectly reasonable.

83. If the leasehold is the creation of the will of the people and subject to their will, is the freehold in any different position ?—Not under the present law, except to a limited degree. For instance, under the Land for Settlements Act the Government have the power to take any freeholds.

84. If the majority of the people would repudiate the bargain of the leasehold entered into between the State and the people, do you not think the same majority would repudiate a deed of fee-simple ?—They cannot to the same extent. It is not so easy. They have the power and do exercise it now.

85. The second statement that you read, that is your own statement ?—I can have it substantiated by numerous witnesses, and you may take it as representing the views of the people here. It has been discussed in public, but I omitted to take a resolution from the meeting authorising me to put it in.

86. Do you know how the expenses of providing an advance from the Advances to Settlers Office compares with an advance through an ordinary legal firm ?—I think it is cheaper, but there are certain expenses in connection with it that ought not to be incurred at all. Before the Government office will make an advance, even though the farm may have been valued the day before for the Valuation Depart-

ment, they will insist on a fresh valuation, and the tenant has got to pay for it. I do not think if the Valuation Department take their valuation as reliable, it ought to be taken for all purposes. The point I want to make is that this is one of the expenses that should not be incurred.

87. Would an ordinary legal firm take that valuation?—No, none of them would accept it.

88. You know, as a practical farmer, that under certain conditions a property might deteriorate in value: do you think it right that the Government should take their own valuation after a reasonable time had elapsed?—No, but I say that even if it is only a day after they will not take it.

89. You have not covered that point as to the cost of getting a loan through the Advances to Settlers Office and from a private firm?—In my opinion, the cost would probably be less in the case of the Advances to Settlers Office.

90. You could not say whether it would be three or four times less?—I would not think so.

91. We have had evidence from solicitors that it is so?—I would not think it was so.

92. I suppose you advocate an extension or a more liberal administration of the Advances to Settlers Office?—Yes, I think they ought to advance what other firms advance if they go into the money market as they are doing. My own private opinion is that the Government Advances to Settlers Office is a very dangerous undertaking.

93. It is an instruction given to the office that they are to advance up to 50 per cent. of the improvements and 50 per cent. of goodwill in the case of leaseholds: do you think that is safe?—Certainly, it should be safe.

94. Wherein does the insecurity of the undertaking lie?—They lend money at 4 per cent., and if any losses are made with the price they are paying for the money the colony is running a risk, and because they are running that risk they are tied down to 50 per cent., and they require also their own value by their own valuer at schedule rates, which reduces the value of the security to the very lowest point, thereby making themselves secure. That is not doing to the settler what the office was supposed to do.

95. You do not know whether the State is losing money on the Advances to Settlers Office?—I do not know, and I would be very sorry to hear that it was.

96. You expressed yourself in favour of giving the option at the original value to lease-in-perpetuity holders: would you deem it a calamity if a number of those sections were aggregated?—It is an easy matter to restrict the area.

97. To 640 acres?—Yes.

98. At the present time, on some of that good land, 600 acres is now supporting three families: do you think it would be better that it should continue supporting three families or go back to one man?—I do not think that 640 acres is going to support three families. It may support three men, but it would give them no hope for the future of improving their position of the prospects or their families.

99. *Mr. McCutchan.*] Will you point out how valuation discounts the value of the improvements?—We all know perfectly well that the valuation at present is made on the selling-basis. Land is valued at, say, for argument's sake, £1 per acre. The full value is not given to the man for his improvements because the unimproved value requires to be raised, and the value for the improvements being the difference between the selling-price and the upset price there is no margin for the unimproved value except when you write down the improvements, and I hold that in the majority of cases where land has been valued, if the tenant who was the original owner or occupier got paid for all he did, no man in New Zealand would buy his land. It has cost him really more, if he charged for the improvements he did, loss of time, interest, &c., than the actual selling-price of the day; and the position is this, that the valuer values the land and has to put a certain unimproved value on it, and, in order to get that margin for the unimproved value, he must write down the improvements or the allowance that ought to be made for them.

100. What reason have you for believing that he must extend the unimproved value of the land?—We were told in the Assessment Court that their idea of the value of land was a certain amount.

101. You said distinctly that they have instructions to place a certain unimproved value on the land?—I do not know whether it is a definite instruction, because none of us have the opportunity of finding that out, but it is a well-known fact that they must make provision for an increase in the original value of the land.

102. Is not this the true reason: that it is impossible for any valuer to go on to bush land after it has been worked for a certain time in certain directions and truly assess the amount of the expenditure, inasmuch as a large amount of those improvements are no longer visible?—But where would you put the cost of invisible improvements? Would you deduct that, tax his improvements, and add it to his unimproved value? I take it that whatever a man has put on there in the shape of improvements he ought to get credit for it.

103. Then the whole trouble is the method of making the assessment: can you suggest a better means?—I think their starting-point is wrong. They work from a selling-price and work downwards. If they worked on a different foundation probably they would get at the true value of the land.

104. Do you think it is possible that by having regulated values made, and a record kept that the tenants' improvements would be protected and not discounted as at present by putting them on the unimproved value?—My experience is the other way about, that our improvements are discounted.

105. Can you suggest a remedy so as to protect the tenants' improvements?—I could not on the spur of the moment.

106. You object to the principle of loading?—On the lease in perpetuity, yes.

107. Do you object to the principle on the occupation-with-right-of-purchase tenure?—I do not object to the principle of loading, but I think if the people were let alone in place of doing that, if they were allowed to borrow money under the Loans to Local Bodies Act, and that loading went to pay the interest, it would pay off the principal and interest in forty-one years, and I think the loading would be very much better spent.

108. On the understood principle that the interest chargeable would cease after forty-one years instead of continuing for the whole 999 years?—Yes.

109. You described the co-operative system: do you know of any instance where there has been a wasteful expenditure under that system?—I cannot particularise, but I know the general impression is that the principle of co-operative works was a very good one. That is to say, to help the struggling settler in the back blocks, but in many instances that money was not spent for that purpose; other men were brought into the district to earn the money which should have been given to the settlers who were already there. Then again, all classes of men were brought in, and poor men were placed alongside of good men, with the result that the good man had to come down to the level of the poor man, and thereby there was not a fair return for the expenditure.

110. If the work was reserved for the settlers on the land would you be in favour of the system?—The co-operative contract system I think is very much better.

111. No, by inviting tenders and the overseer fixing the price?—Provided you got good men that would be all right, but it is very hard to get one man who would give satisfaction all through. It stops favouritism; that causes great discontent amongst the people. They reckon one man has a good job and another a bad one.

112. You advocate the lease-in-perpetuity settler getting the right of the freehold?—I do.

113. You say, on the 4-per cent. basis, that 999 years is a bad bargain for the colony?—Yes.

114. Do you think it would be a good bargain to allow them to pay off such a small sum as the 1 per cent. difference and then give them the freehold?—It is a bad bargain for this colony, because they are giving the land away for 999 years, and none of us can estimate what that means.

115. They will give it away for ever by the freehold: there is surely a contradiction there?—Give them the freehold and let them invest the price of it and see what it will produce then in that time.

116. You made a calculation in connection with the loading that if the land was sold for cash it would be so much. Under the occupation with right of purchase it was 75 per cent. and under the lease in perpetuity it would be £1,998, but is not the one calculation running through the lot: are not these figures very deceptive?—I do not know that they are, because 999 years is a long time, and it is very easy to make it up in that time.

117. Your figures are correct but the deduction you made from them is erroneous?—I do not think so.

118. We agree that the loading-charge should cease after forty-one years at 4 per cent., and after twenty-six years if it is the occupation with right of purchase?—That is right.

119. With regard to the difficulty of transfer, why is there a difficulty in respect to the transfer of this lease?—There is not the same difficulty now as there used to be. At one time the difficulty arose in this way: that if a man took up his section and lived on it for four or five years, and put on to that section his time—that represented money—and he denied himself a great deal—which certainly ought to represent money—when he came to sell it, if he asked for anything over and above what was a fair return on his improvements, the chances were his transfer would be blocked. And so much so was that the case that I understand that sellers had to descend to deceptive means by returning a less price than they had really got for it to get it through the Land Board.

120. If the transferee is a desirable party in the opinion of the Land Board, do you think all these transfers should go through irrespective of money consideration?—I do.

121. You stated that schedule rates for valuing improvements were set up: it is the first time I have heard of schedule rates in connection with the matter?—I understand that there are such things, and, if you are acquainted with the Department, if you will just get one of their books that they issue to the valuers, I think you will see it.

122. Is that confidential?—I do not know.

123. Have you seen it?—I am not going to say that they are in it.

124. How could schedule rates be set down for general valuations?—It is an absurd thing, but it is said that their instructions are that they are not to allow, say, more than 10s. per chain for fencing.

125. You spoke of the difficulties and hardships of some residence conditions, and instanced the case of two brothers living on adjoining sections who would be prevented and not allowed to reside on one brother's section. Would you be surprised to know that the Board can exercise wide discretionary power in the direction of allowing such a case?—I know that, but I also know that that was done and these sections were forfeited.

126. But it would be some years ago?—No, a very short time ago.

127. You know of no other reason why that has been done: may not there have been other circumstances in connection with the matter?—I do not, but I know the settlers are absolutely good and true settlers. They improved their land and lived on it, and did everything barring that one thing, and it was certainly a matter of hardship. There was no dummyism in the case, as the one man was making as good use of his land as the other.

128. You advocate that in some places people taking up lands should make increased improvements, and in order to do that a manager would be put on, and in that way the population of the district would not suffer in respect to getting schools, churches, and doctors?—You rather draw out my evidence a little further than I intended.

129. It was pointed out by the Chairman that great evil might arise by allowing extra improvements and counting them as against residence, inasmuch as the genuine settler would not be able to get schools, churches, and doctors. You overcome that, inasmuch as no man would put on extra improvements without putting a manager on the property, and in that way the population would be secured? No sir. In the restricted areas we have you cannot afford to pay a manager; you have to do it yourself.

130. That was the objection made by the Chairman, and you used the word "manager"?—I do not think I used the word "manager."

131. I think you said that the population would be secured, inasmuch as no man would make extra improvements without having a man to supervise them?—I said to work the farm.

132. That was not the point, but to get the population for the school, and the population was distributed over the estate?—I never mentioned the word "school."

133. But the Chairman did?—Yes, and I still say so, that the moment the land is improved the man must continue to work it and not allow it to go to rack and ruin. If the land is improved the man will be handicapped.

134. The point is in connection with the population of the district: if there are, say, any of our lawyers and doctors in a town making a certain amount of money, and they were anxious to acquire property under your system from exemption from residence by adding improvements, a population for a district and a few *boni fide* settlers might be secured?—I grant that they would be, but at the same time it might be a bachelor doctor or other professional man, and who would send a working-man out there who might have a large family.

135. You know it was stated recently that good land here is very scarce, and that a doctor, who is drawing emoluments from the pursuit of his profession, by taking up land in the back districts, might exclude a genuine man who is prepared to go on the land?—I do not think so. I have known of no case of hardship on that account.

136. Of course there is no case because the law does not permit it, but you are advocating a change of the law in the direction of increasing the improvements to exempt you from residence?—I do not see the danger.

137. Is it not the case that when a desirable section is on the market there are forty or fifty applications in for that section?—Yes.

138. If you widen the doors and let other people come in, will there not be far greater objection to this, taking it for granted that these forty are all eligible men?—How do you know that they are eligible men?

139. Do you think the Commissioner of Crown Lands should have the examination of applicants on the Land Board who are to be admitted to the ballot?—I do not. I think it would not be a very wise thing to do.

140. Where lands are sold for cash would you make the cash purchasers subject to the same regulations as the people who take up leased lands?—I would as to improvements, but not as to residence.

141. Why not?—Because it is not freehold. The only thing is to give them the freehold. You could withhold their title for a few years until the necessary improvements had been effected. I would be quite in favour of doing that.

142. You say you cannot restrict the freehold sales by residential conditions. Is there such a thing as a freehold? It is subject to taxation and improvement conditions. Is not your contention absurd?—I do not think so.

143. Then you would not subject the freehold to residence and improvement conditions?—I would certainly as to improvements.

144. Of course you can by legislation?—Then I think you would be destroying the idea of the freehold.

JOHN WILLOUGHBY MARSHALL examined.

145. *The Chairman.*] You are a settler?—Yes; I hold about 2,000 acres of freehold. I have lived forty-four years in Rangitikei, and am also the Chairman of the Rangitikei County Council.

146. What matter do you wish to bring before the Commission?—I want to give evidence most particularly in connection with the expenditure of "thirds" and "fourths." There is no particular land revenue for the local bodies with the exception of rates, in some cases on small grazing-runs, and rates from the leasehold tenures from the Crown tenants, in fact. With regard to the "thirds" and "fourths," it is naturally supposed that the County Council as the local body is entirely responsible for their expenditure, which are paid by the Crown tenants to the Land Board. The Act mentions the local body as the power which is to expend the money, but the point I wish to make is that the local body has practically no voice in the expenditure. It acts as the agency by which the money is expended, but as an active administrative body it has little or no control. The system has varied from time to time, but as it now exists the Land Board, which was originally supposed to exercise a supervision over the expenditure of "thirds" and "fourths," now exercises a supreme control, and, in fact, lays down the conditions under which they are to be expended. The Board insists that before the local body makes any proposal for the expenditure of "thirds" and "fourths" it must first obtain the written consent of the payers of the "thirds" and "fourths" to its proposals. When the County Council has done that it passes it on to the Land Board for approval. It goes through the list of proposed works and either approves or condemns them. If they condemn them then they are referred back to the County Council, and the Council sends them back to the payers of the "thirds" and "fourths," or the ratepayers, to get them, or him, to alter their, or his, consent. You can see that such a system is fraught with a considerable amount of friction and delay. The County Council meets once a month, and the Land Board also, and if the proposals are not absolutely approved by the one or the other it means a very great delay, and perhaps it is impossible to get anything done. Then again, the "thirds" and "fourths" are strictly located on to the roads, and you see a statement put in the newspapers that there is, say, £2,000 to the credit of the County Council which is unexpended, and the public naturally want to know why this large sum of money is lying in the hands of the Receiver of Land Revenue and unexpended by the local body. It is omitted to be stated that perhaps that £2,000 has to be spread over one hundred different road-lines or sections, and a separate proposal has to be made out for every

section. Here are thirty sheets [exhibited to Commission] showing the individual amounts accruing from each section, and in the case of every one of these sections we have to write how it is intended to expend that money. Attached you will find a list showing the number of roads over which the "thirds" accrue, and you will see how greatly the amounts vary. This list shows the aggregate amount accruing on different road-lines; there is an amount of 3s. 11d. and we have to submit a proposal for that. The largest amount is a little over £270. The total amount now accruing is about £2,843, and you have to split it up over one hundred roads. Some time ago, when there was a considerable amount of these "thirds" in hand, it was suggested the Government Engineer should be the proper person to expend it. The County Council was very willing to fall in with that idea as there was so much trouble under the present system. The Government Engineer made proposals which were passed on to the payers of the "thirds" and "fourths." Then these payers post them to the County Council, and the latter pass them on to the Land Board, and if there was any trouble they went through the same routine again. The Government Engineer tried it for one year and gave it up. He sent back all the money he had in hand and begged to be excused having any more to do with it.

147. Are there not the rates to be expended as well?—Yes; but that is quite a distinct matter.

148. But the County Council administers both?—Yes.

149. There is one item in these sheets of 3s. 11d., but probably the County Council would be expending a lot of money besides that and you would put the two together?—We should have to get the consent of the Land Board to put the 3s. 11d. in.

150. Because it is due to a certain road, but the rates obtained in that particular part of the district might amount to several pounds?—Sometimes they do; but most of the back-country lands are valued low, and if you take off the cost of administration and the hospital and charitable aid it leaves but a small balance arising from this back part. To maintain our roads is very expensive. Last winter it cost us over £4,000—over and above the ordinary expense—for clearing the roads of slips in the country north of Hunterville and Taihape.

151. But you are not bound to expend this 3s. 11d. on the particular road opposite the section that the 3s. 11d. refers to?—Yes; unless that road is completed and finished. The Land Board insists on the money being spent near to the section. Of course, it is according to the Act; I am not finding fault with the Land Board.

152. Could the 3s. 11d. not be expended on a road leading up to this section?—If the Land Board considers it is within a reasonable distance of the section. I have known cases where we obtained the consent of the Board to the "thirds" and "fourths" being expended on a particular piece of road. The settler wanted this particular piece done and we agreed to do it on receiving his consent without waiting for the permission of the Land Board; but the Board disallowed it on the ground that the expenditure was too far away from the section and did not benefit it.

153. Have you any proposal to make to remedy the difficulty?—Yes. The great object of the local body has been to encourage the settlers to obtain money under the Government Loans to Local Bodies Act, and to hypothecate their "thirds" and "fourths" for the payment of the loan and then to get the roads completed right through. I think it would have been better if the Government had started on such a principle from the first, and instead of loading land with 5s., 6s., or 10s. an acre—an insufficient capital sum to make the roads—they had loaded it with a special rate for the forty-one years of the loan to raise a sufficient sum to make the roads at once throughout the block, everybody would have been the gainer. At present it works out in this way: these "thirds" and "fourths" are paid and the land is loaded so much when the settler first goes into the wilderness, but there is not sufficient money accruing to justify the local body making any proposal to expend it. After a few years the settlers begin to find out the want of roads. They see so much "thirds" and "fourths" in hand come to the County Council. We always recommend them to borrow money under the Government Loans to Local Bodies Act, and hypothecate the "thirds" and "fourths" to meet the rate. Very little of the road under present circumstances, perhaps, has been made, generally a 6 ft. track, and our Engineer has to go over the whole work again and prepare his plans and specifications for making it into a cart-road, whereas if that had been done by the Engineer in the first instance we should have had the road made with money borrowed under the Government Loans to Local Bodies and everybody would have been the gainer.

154. Just taking the matter at the present stage, you have all this money accumulated: would it not be well now to capitalise it and get a large sum of money by which you could carry out a comprehensive scheme?—We should be delighted to do it, but then we are bound by the amount of money we can borrow within one year, £6,000. That is the amount we can raise in one year, and for the last four years we have never been less than two years ahead in the amount of loans proposed in our books. We get £6,000 in one year, and £6,000 approved for the next year, £12,000 in all. For the last four years we have never had less than £12,000 approved, and thousands waiting, but it is beyond our power to borrow it.

155. Then the amendment wanted is to go in for larger borrowing powers?—Certainly. Our estimate of the moneys required to complete roads in this particular part of the country is just on £50,000. That does not include all metalling, but only formation and metalling on roads that are most likely to require it, or where metal was to be had cheaply. I am satisfied it would be very much better to work on under such a system as I have suggested. Instead of loading lands with an actual cash payment if they were loaded with a special rate for forty-one years, to make the roads thoroughly at the time the land was occupied, it would be a good thing for the settler and the country.

156. *Mr. Anstey.*] There are no road districts in your county?—No, it is all in the county.

157. What subsidy do you have by way of Government grants?—I could not tell you. They have made grants to be expended under the control of the County Council, but it has not been a very large sum. The Government have expended a good deal on roads under their own officers, but the direct grants to the Council have not been a large sum. Last year we had a special grant of £500 in consideration of extraordinary damage to the road which was expended by the Council. There are votes each year on the estimates which are expended by the County Council also. Votes for particular

roads are often handed over to the local body for expenditure. This year, taking it altogether, I think, we have had about £2,000 of Government money including the £500 grant given in consideration of the damage to the roads. That £2,000 would be expended under the control of the county officers, approved and certified to by District Engineer.

158. Do you think the system of grants is a good one?—It is very necessary to assist the local bodies to develop these roads. The rates could never look at it.

159. What rate do you strike in the county?—About $\frac{3}{4}$ d. This year it would be 1d. to pay for the losses of last year.

160. *Mr. McCutchan.*] Is there a separate rate?—Yes; very often in addition to the ordinary rates. I was speaking of the general rate.

161. *Mr. Anstey.*] Does that include the special rates under the local bodies' loans?—No. In many cases the special rate struck is 2d. or more.

162. There are two bodies spending money in your district, the Government and yourself: is that the most economical way of spending money?—I should think it would be better for one body to have the whole expenditure of grants. The Government have had a large staff up here, but I cannot express any opinion as to whether the money has been expended economically.

163. Supposing you had an assured finance in the shape of financial subsidies on rates, would you be able to finance your roads without grants?—We must get money from somewhere.

164. An increased subsidy then is necessary?—I think probably a graduated subsidy in some way for districts that needed it and who would be prepared to tax themselves accordingly in order to make their roads. They should receive a higher subsidy than any other.

165. Supposing you were offered a much larger subsidy than you now get on the understanding that you would rate yourselves higher would that be satisfactory?—Yes.

166. What subsidy do you get now?—5s. in the pound on a three-farthings rate.

167. Supposing you were offered a loan on the same subsidy now payable, 10s. in the pound on 1d. rate—the proportion of subsidy would be higher in proportion to your rate—you would have a larger rate and a larger subsidy: would that give you a satisfactory finance?—If it was so arranged that it could be localised it would be satisfactory, because such a high rate and high subsidy would not be needed in our part of the district where the roads only require maintenance. But such a proposal would be acceptable in a country where roads were needed.

168. Would you make it apply to each separate-riding?—Yes, it could be done in that way if the Act admitted it.

169. But we are inquiring as to whether an alteration is necessary?—I think that would be an improvement.

170. You say the total amount any local body can raise is limited to £6,000. Do you not think that that amount ought to bear the same proportion to the amount of revenue of the local body?—Certainly to the revenue derived from any particular rate. This county is a large one, and our revenue from 1d. would be over £10,000. We can only raise the same amount by way of loan as some smaller counties who do not raise one-tenth part of the revenue. And they do not require the money. They do not exercise their power of borrowing, but they cannot pass it on to anybody else.

171. Do you think it would be a wise thing to make a change in the law?—I should do away with the loading entirely, but burden the land with a special rate for forty-one years under the Government Loans to Local Bodies Act to raise a sufficient sum of money to make the roads where the colony agreed to

172. Would it not be fair to load the land with, say, £1 an acre, and reduce the capital value to 10s. an acre?—I should put the land at a fair market value, and calculate the money for the roads on a rate of so much in the pound for forty-one years. It is exactly what the settler does now, only I would do it at the first outset instead of last.

173. Is there sufficient in the loading to provide access to the roads?—I do not think so.

174. Would it not be very much wiser and fairer to put sufficient on to load the land before it was offered, and thereby reduce its capital value?—I think not. To put the cost in cash on the land would be too much.

175. No, it would be the other way about. We are dealing with leasehold land?—I was thinking of the freehold land.

176. Supposing you load the land like that, how do you arrive at its actual value at present—there is no knowledge of what the value of the land is and what the cost of the loading is?—You will find out from the expenditure on roads what the cost of the road would be. but roughly speaking, it is about as much as the land sells for and about as much as it is worth.

177. *Mr. Paul.*] What system of labour do you employ in the country?—Contract, or day-labour.

178. Much day-labour?—Yes, removing the slips, &c. We had seventy or eighty men employed last year on the roads about here on day-labour.

179. Did you find it satisfactory and economical?—Yes; as long as you can get a good overseer in charge of a gang.

180. *Mr. McCutchan.*] It is quite satisfactory you say. Is it satisfactory in view of the fact that an overseer would pick his men?—Yes.

181. But if he had not power to select the labour would it be satisfactory?—I should not expect it to be.

182. You would not lay it down as a general principle that day-labour would be satisfactory?—No; only for that particular class of work; generally our work is done by contract.

183. But with picked labour and under supervision it was satisfactory?—Yes.

184. With regard to the "thirds" and "fourths," the main Act of 1892 is the governing statute in connection with that matter?—I could not say.

185. Is it not the case that under that statute the Land Board has to exercise very careful supervision over the expenditure, inasmuch as it is laid down that this money must be spent in giving access

to the sections from which the money accrues. Is it not a wise and prudent course on the part of the Land Board to get petitions from the settlers as to how these "thirds" and "fourths" are to be expended?—Under the Act it is no doubt. It is the Act I was criticizing, not the Land Board itself. The total amount of "thirds" and "fourths" that are paid to the Rangitikei County Council amount to £1,300, of which £300 is hypothecated. In connection with the expenditure of that £1,000 there is more clerical work and correspondence than with the £14,000 and £15,000 we expend direct. We raise £10,000 by rates, and a portion of it is paid by exactly the same people who pay the "thirds" and "fourths."

186. Do you find any friction in your county in connection with expenditure of rates. In other words do you keep road accounts?—No.

187. Is there not often great friction and dissatisfaction amongst ratepayers when they find that the rates which have accrued on their roads are taken away and expended elsewhere by the County Council?—Those assertions are made, but I think the local body has got on very fairly with the ratepayers, in fact there is a desire from several parts to be added to the Rangitikei County.

188. Do you not think it is a wise precaution on the part of the Land Board to make quite sure before they accept the schedule of expenditure from the County Council that these "thirds" and "fourths" are actually expended on the roads on which they accrue?—It is their duty to do that.

189. You recognise the principle that the Government should expend a certain proportion of borrowed money on roads for the benefit of the settlers, seeing that the settlers are entitled to a certain proportion of it?—Quite so, I agree with you.

190. Passing over the whole question of "thirds," do you think that sections sold for cash ought to pay "thirds" to the local body?—I think they certainly ought to pay something.

191. Under the occupation with right of purchase there is the right of purchase in ten years. Do you think that what the Government gets in the way of capital value in the shape of "thirds" should be handed over to the local body?—It is necessary to do so, because these sections have been paying the "thirds," but these are quite insufficient to make the roads. In fact, it would require all the money that came from the sections to make the roading that is necessary and wanted by the settlers.

192. You are aware that "thirds" cease after fifteen years. Would you advocate that "thirds" should be paid for the whole term of the lease—999 years?—It would require a good deal more than they pay for fifteen years to meet the necessities of the country with regard to roading; probably—and almost certainly—before the term of lease elapsed the road would be completed. There is another matter I would like to refer to which has relation to the rates of local bodies on small grazing-runs. This has been a difficulty with us in the matter of raising loans. Under the Land Act the rateable value of small grazing-runs is such a sum as will give 6 per cent. on the capital value. A difficulty arises where these lands are mixed up with lands held under freehold tenure. If the local body wishes to raise a loan under the Government Loans to Local Bodies Act it is confronted with this difficulty, that the power of rating small grazing-runs is not perhaps one-tenth that of the power given to rate the adjoining property of equal value. I would like to submit to the Commission two tables which will show clearly the unfairness I have referred to:—

Small Grazing-runs.

Occupier.	No. of Run.	Area in Acres.	Capital Value.	Rate at $\frac{1}{2}$ d.	Rateable Value.	Rate at $\frac{1}{2}$ d.
			£	£ s. d.	£	£ s. d.
W. Duncan	...	33	2,984	13,589	42 9 4	1,243 3 17 8
G. E. Anson	...	32	2,900	12,728	39 15 6	1,208 3 15 6
W. Death	...	7	381	1,398	4 7 5	159 0 10 0
G. E. Swainson	...	1. 1	1,190	3,385	10 11 7	496 1 11 0
R. Ireland	...	8 and 9	631	2,704	8 9 0	263 0 16 5
T. U. L. Powell	...	19, 20	300	1,633	5 2 1	125 0 7 10
M. Hale	...	2	686	2,387	7 9 2	286 0 17 11
		9,072	37,824	118 4 1	3,780	11 16 4

Compare adjoining Sections.

Occupier.	Section.	Area in Acres.	Rateable Value.	Rate at $\frac{1}{2}$ d.
			£	£ s. d.
Duncan Bros.	...	5, Otairi	2,515	9,218 28 16 2
F. McLean	...	2, 4, 3, 6	2,364	4,954 15 9 8
A. W. F. Smith	...	1 and 1	1,317	4,137 12 18 6
J. Lambert	...	2, Otairi	997	4,245 13 5 4
P. R. Earle	...	4, Otairi	867	3,100 9 13 9
S. Skerman	...	Rawhitiroa	945	2,713 8 9 7
T. U. L. Powell	...	17	150	1,360 4 5 0
J. Mason	...	18	150	989 3 1 9
		9,305	30,716	95 19 9

In my opinion, the occupiers of small grazing-runs should be able to be rated on the capital value, and I think the law should be amended to remove this difficulty.

193. *Mr. McCutchan.*] Is it not the case that where small grazing-runs are laid off by the Government it is usually in rough, rugged, and remote country?—Yes, I believe so.

194. And in order to get these grazing-runs taken up the rental is usually fixed at about one-fourth of the rentals of land in more favourable localities and of better quality?—Probably that is so.

195. You stated that in the particular case you quoted the land was of equal carrying-capacity. Generally speaking it is not so, and is much more difficult to work and the road access is much worse: consequently it has been considered necessary by the Government to reduce the rating-powers of the local body on this land, so as to offer greater inducements to settlers to take up this land?—Yes, that is probably so. There is another point in reference to which I wish to say a few words. There ought to be some provision by which the Land Board may assist the local body in the collection of rates from Crown tenants. For instance, cases occur where a Crown tenant repudiates his rent or throws up the section and the local body has not got the same remedy against the land as it has against the land of a freeholder. For instance, you cannot register the amount as a debt against the land, owing to it being Crown land. There have been several instances where the land has been abandoned by the original occupier after two years' rates had accrued on the land. The local body with which I am connected was under the impression that there was a clause in the Land Act providing that the Land Board should assist the local body to recover the rates due on the land, but the Land Board said it was not part of their duty, and declined to do so. In the case of a leaseholder of private freehold land, if the leaseholder makes default the local body has its remedy against the owner or the mortgagee or the land itself, but the local body has no remedy against Crown land. I think that is a matter that should occupy the attention of the Commission in order to see if some way cannot be devised by which the Land Board in cases of defaulting tenants can assist in recovering the rates due on the land by adding it to the price of the land at which it is taken up by the incoming tenant.

196. To be paid by the incoming tenant?—Yes. In one case the Commissioner of Crown Lands asked us for the names of the tenants who were two or three years in arrears, and we sent him the names, but the Land Board determined that it was not within their province to collect rates for local bodies, and thus the local body had to put up with the loss of the rates. The local body ought to have some remedy against the land as in the case of land owned by private individuals.

197. *Mr. McCutchan.*] It would be in very few cases that this contingency would arise?—Yes.

198. Is not the simplest way out of the difficulty to suffer the loss?—You have to account to the Auditor for the loss.

THOMAS FITZPATRICK examined.

199. *The Chairman.*] What are you?—I am a farmer, and hold 200 acres on the small-farm homestead system. I have held my land for thirteen years and my rent is £7 per year. The tenure is lease in perpetuity. It is situated some distance beyond Taihape.

200. Are you satisfied with your tenure?—No, that is the trouble. My son holds a section alongside of me and my place is too small for the family, and yet neither of us can hold two sections and make one homestead for one of us. The Act only allows us to hold 320 acres. The present area held by me and that held by my son is too small to live on for each of us. My son is an independent settler, and he holds his land under the same system as myself. Our land is situated far back, and 200 acres is too small. Under the Act we could not even go partners in the 400 acres. I brought the matter before the Land Board, and the only way we could do it was to surrender one section and the land would then become Crown land, and would have to be balloted for, and we might lose it.

201. If you could get more land are you satisfied with the tenure?—No. I would like the Act amended so that one of us could hold the two sections. Both of my neighbours can hold 600 acres, but we can only get 320 acres.

202. *Mr. McCutchan.*] Is it classified as first-class land?—No, second-class land.

203. Are you precluded from taking up more land under the ordinary tenures of the Act?—No.

204. Are you debarred from taking up land under any other tenure than the homestead system?—No; but as I have said 200 acres is too small for us.

MICHAEL JOHN REARDON examined.

205. *The Chairman.*] What are you?—I am a journalist, and I have a thorough knowledge of the Rangitikei electorate. I have been in this district for three years. I do not hold any land at all.

206. Is there any particular matter you wish to bring before the Commission?—I want to enter an emphatic protest against the present system of special grants for roads and bridges in such a district as this. I consider it is a blot on the land system. I would also like to take exception to the present constitution of Land Boards. I think that where settlers sign an agreement to carry out certain conditions under the Act, it is quite within the capabilities of the heads of Departments to see that those terms and leases are properly carried out. At the present time a man is appointed, we will say from this district. If he has friends who have a grievance those friends can very easily get their grievances remedied, but, if a man has a grievance who has not any friends on the Land Board, at times it is very difficult for him to get a remedy. I think under these circumstances the head of a Department would be very much harder to approach, and there would be fewer favours granted than are given under the present system. Another point is in regard to the taking-up of land. I think the Government make a mistake in letting the settlers have land too far in advance of the railway. If a man had only to wait a year or two for the railway he would have a better heart in doing his work, but at present he is sometimes toiling and waiting patiently for ten years or more for the railway, and when the railway comes along

his heart is withered with disappointment and he sells out at a loss. In very many instances the settler is compelled to fell the timber on the land with the result that there is a very heavy loss to the country. I am one of those who hold that it is better to wait eight or ten years and allow the sawmilling industry a little scope than to have the bush felled at once. I would preserve the timber.

207. *Mr. Anstey.*] You say that the land has been settled in advance of the railway. Does that mean that the railway is going too slow for the settlement of the land?—Perhaps some of both. I think the better plan would be to cut up some of the large estates in the more settled districts.

208. Are there many large estates in this neighbourhood?—There are plenty down the line and in the Wairarapa.

209. *Mr. Paul.*] Do you not think if the Land Boards were elected they would be of the same political "colour" as the dominant political party at the time?—Certainly, but I did not advocate elective Land Boards.

210. Do you advocate the abolition of Land Boards?—Yes, the nominees.

211. And vest the whole power in the hands of the Commissioner of Crown Lands?—Yes, in the Commissioner and his assistants.

212. Do you not recognise that the members of the Land Board generally supply the Commissioner with practical experience, and advise him as to the conditions existing in the various districts?—If I lease a section from a private individual he holds me to the letter of the law, and if I lease a section from the State I do not see why I should have any special privileges.

213. Do you not think the head of a Department might recognise his friends?—He is less likely to do so than others.

214. Have you any views as to the best tenure under which land should be held?—I should say that a ninety-nine years' lease would be more understandable than the present lease. Those who have a 999 years' lease seem to be labouring under the delusion that they are going to be robbed of it. I am not aware that any of the most advanced thinkers have yet put forward the proposition to rob these tenants of their holdings, but, seeing that these tenants have that idea, perhaps it will be better for the future only to grant a ninety-nine-years lease—quite long enough for a man to hold a section and not too long from the point of view of the State.

215. You think the general idea of a 999 years' lease is too long a time for a man to understand it?—Many level-headed settlers in this district—holders of 999-years leases—are perfectly satisfied with their tenure, and, although the Farmers' Union has been creating the impression amongst some of them that they are going to be robbed of it, they see that so long as it is left alone it is the best tenure in existence, because it costs them very little and there is very little outlay of capital required.

216. An organization the other day carried a resolution in favour of revaluing present leases either at death of the lessee or on a transfer of the lease being made. How do you view that?—I am not in favour of altering any existing contract, but at the same time it is clear to me—whether it is lease in perpetuity or a freehold, if it is essential that taxation should be levied—there is no difference between one and the other. If the tax must be levied, it must be levied on the land.

217. You say there should not be any interference with present leases?—No. If it is a bad bargain for the State the State must suffer. Taking this electorate as a criterion I should say that the majority of the people are in favour of the freehold, but if we cannot bring the majority of the people—that is to say, the 75 per cent. who do not own land—to realise the seriousness of the position, the first thing we should do is to give the balance of our unsold land to the Education Boards and to the Old-age Pensions Department. Otherwise before very many years the colony will be called upon to meet a big taxation to provide for the requirements of our Education Department and our Old-age Pensions Department, and we will have to call upon the freeholders for a progressive land-tax, and then we will have the same cry as at present for the freehold, whereas, if the Government will give the balance of their land as a perpetual endowment to such institutions as I have named, we will be saved, at all events, from a progressive land-tax for very many years.

MICHAEL TANSEY examined.

218. *The Chairman.*] What are you?—I am a farmer, and hold 800 acres under occupation with right of purchase. I have held my land nearly ten years, and my rent is £42 a year. My land is close to Mangaweka. I am satisfied with my tenure.

219. Is there any particular matter you wish to bring before the Commission?—I am chairman of a committee appointed to represent the Farmers' Union in this district, and I suppose I may express my own views at the same time. Mr. Guthrie in stating the views of the branch of the union at Rangiwahia has put the matter fairly well before the Commission, and as the Commission is rather pressed for time I will not traverse some of the points he has dealt with.

220. Generally speaking, you indorse the views he has expressed?—Yes, pretty well. In regard to Land Boards, there is a feeling in the district that Land Boards should be elected. I have never heard any workable suggestion made as to the method of election, but I think the main view held is that they should be elected under the parliamentary franchise. I have been a Crown tenant for twenty-two years, both in Hawke's Bay and in this district, and during all that time I have been in contact occasionally with the Land Boards, and I can safely say, as far as I am personally concerned, that I have always found the Land Boards willing to administer the Act in a fair and sensible spirit; never quibbling, and, as far as I know, never administering the land laws in a harsh way. I have always found them willing to meet the settlers fairly. I cannot agree with the last witness about the administration of the Land Department. I think if the law was left to the officials to administer it would be ten times worse than it is at present. It seems to me that to leave the administration to officials would be absolutely a mistake. Officials are not in touch with the people. I do not say that they would willingly inflict any injury on the people, but they do not understand what is required. With regard to the tenure

of the land, the most popular form is the lease with right of purchase, because in most cases settlers have not the cash to pay down for the land. No doubt if they had the money cash purchase would be the most desirable. The next is the deferred payment. Under that system, a man could in course of time pay off the whole value of the land. Under that system at present prices, most settlers would be able to meet their half-yearly payments, and, instead of having to borrow at the end of the term, their places would be cleared. That is the main reason why the settlers advocate the deferred-payment system. The next is the cash system, and then there is the lease in perpetuity. With respect to residence conditions, there are cases where the condition is very hard on individuals. As to the system of loading for improvements, I believe it is a fairly good one if the money was spent to the best advantage. But there is no question the money has not been spent to the best advantage. I know cases where men have earned 11s. a day, and they were not worth the half of it; and I know of other cases where good men would take up a contract at an overseer's valuation, and if they did well the next contract would be cut down in price. The co-operative principle would be right if it were carried out properly. I think a good deal of the difficulty in connection with that system arises from the manner in which it is administered. As to the Advances to Settlers Department, I have had experience of that, and personally I could not complain, but I have known instances where advances might have been made and where they had been refused. I consider that a settler should be allowed to get an advance up to at least two-thirds or three-fourths of the value of his improvements. The Crown owns the land, and I think it is absolutely safe for the Government to advance up to two-thirds or three-fourths of the value of the improvements put on the land. If that were done, I think it would do away with a great deal of the objection that is raised against the lease in perpetuity. It would also assist settlement, and would do away with men having to go to private money-lenders to get money at an exorbitant rate of interest. No money could be spent in a better way than that expended in making improvements on Crown lands. With regard to the aggregation of large estates, I may state definitely, that it is the policy of the Farmers' Union to use all its influence against the aggregation of large estates. We have got it in our platform, and we have carried resolutions at different branches of the union in favour of limiting the area that could be transferred to one individual; not doing anything to interfere with present holdings, but in the case of future transfers that the area should be limited. I think if a law was passed to that effect it would not make any difference to the country what tenure the land was held under.

221. *Mr. Anstey.*] Are there many members in your branch of the Farmers' Union?—About thirty.

222. Are there many Crown tenants amongst the members?—I think they are mostly Crown tenants.

223. I presume there are a number of lease-in-perpetuity tenants in your district?—Yes.

224. Are they doing well?—Yes.

225. Are these lease-in-perpetuity holders farming successfully?—Yes. I do not consider that the tenure under which the land is held makes the slightest difference in regard to the farmer. I have seen some of the best tilled holdings in New Zealand under lease in perpetuity; I refer to holdings at Cheviot. I drove through that district for thirteen miles, and I have never seen a district with a greater air of prosperity, nor have I seen land cultivated to better advantage than I saw there. So far as the tenure is concerned, there is no particular objection to it, but the great objection to the lease in perpetuity is that, first of all, the people are frightened with respect to the security of their tenure. The Trades Council or some other body that knows nothing about farming has tried to get a law passed which will shake the security of this form of tenure, and that frightens many leaseholders. The next objection is that we cannot get money advanced on it, and another thing is that, in giving transfer under lease in perpetuity the Land Board seems to exercise more authority than they do in regard to transfers in the case of other tenures. Personally, I would not refuse a section under lease in perpetuity after working on one, although I do not prefer that tenure.

226. What is your opinion with respect to residence conditions being enforced?—If you do not enforce residence in the back country the land will fall into the hands of two or three persons, and it is not fair to allow some of the men who take up land there to reside on them, and not enforce the residence in the case of others.

227. Would you make it a condition that residence should be compulsory where reasonable access is given, and that it should not be enforced unless reasonable access is given?—I think I would leave that to the discretion of the Land Board.

228. *Mr. Johnston.*] You say you have been at Cheviot?—Yes.

229. Do you consider that Cheviot would be in a better position if it had been settled under the freehold than it is under leasehold?—I was not very long there, but from the appearance of the place, and after conversation with the settlers, I do not think that it could be more prosperous than it is at present.

230. Are the improvements substantial and good?—They are fairly astounding. I saw some of the nicest homes there I have seen. It is beautiful-lying country. The houses were good and the gardens and homesteads very pretty. I might mention that a friend of my own went on that land penniless ten years ago, and now he is making £1,000 a year off a small holding.

231. In spite of that, you believe in freehold?—Yes.

232. Do you not think a man believes in what pays his pocket best?—I say that as far as working land goes it does not matter what tenure it is held under.

233. Candidly, a man believes in what he thinks will fit his pocket best. If a man could make as much out of the leasehold as the freehold, would he not as soon have the leasehold?—I do not consider that I could make any more off my land if it were freehold than if it were leasehold.

234. Is it not a fact that the success of Cheviot is attributed to the inability of the settlers to obtain money on their land?—I asked the friend of mine at Cheviot how it was that the place was so very

successful, and he said, "When we came here at first nobody would lend us any money—the banks would not lend us any money. They all intended to make the scheme of the Government a dead failure. One settler telegraphed to an auctioneering firm asking to buy a cow on credit, and the reply was that the settlers must depend absolutely on themselves. We started in a small way and we paid as we went along, and when things took a turn and we did not want their money, then they came round us offering us any advances we required." In that case I believe it was a good thing for those settlers that they were unable to borrow money too freely at the start.

235. We have had it in evidence in the South Island that settlers holding lease-in-perpetuity land can get any amount of money at 5 per cent. ?—I believe, as far as Cheviot is concerned, the settlers can get any amount of money almost from any of the monetary institutions.

236. Can they get money up here ?—I could not say, but I know there have been difficulties in that respect.

237. Do you think the country would have been settled to anything like the extent it is now if it had not been for the leasehold ?—I do not think it would.

238. Do you think it would be right for the Government to allow these settlers under the Land for Settlements Act the right of acquiring the freehold ?—I take a different view from a good many. I think they should have the right. If the Government passed a law to prevent the accumulation of large estates, I do not think it matters under what terms the settlers hold their land. As it is now there will be continued agitation for the freehold at every election.

239. You consider the lease in perpetuity would be perfectly secure if there was no chance of revaluation ?—Yes, I believe it would.

240. And the settlers would be contented with the lease in perpetuity if their title would not be interfered with ?—Yes; and, personally, I do not think that our constitution would allow revaluation without our consent.

241. Do you think for one moment that the Government would bring in a law which would break a contract it had entered into ?—I would take up a section to-morrow without the least fear of that coming about because I do not believe even if they could do it that public opinion would allow the Government to do so, and, moreover, I do not think they could constitutionally do so.

242. *Mr. Paul.*] You think that the power of the number of Crown tenants is a menace to the general welfare of the State ?—Yes; if they have anything to gain by any Act passed, whether fair or unfair, the chances are that they would put a party into power which would grant them this advantage. There may be thirty thousand tenants under the lease in perpetuity in a few years' time, and they might carry eighty thousand votes, which might be sufficient to put a party into power pledged to give them a monetary advantage which would not be in the interests of the country.

243. Might not the same thing happen if these eighty thousand tenants turned into freeholders and a hundred thousand freeholders agitated and insisted on getting something which was against the benefit of the rest of the colony ?—It might happen; but it seems to me that the real disabilities of the lease in perpetuity have been magnified, and you could not get them to rally round the same as they might when holding the lease in perpetuity. There are real disabilities, and they have been made the most of in some quarters.

244. Do you think the leasehold system has been of benefit to the country ?—Yes; it has given men a chance of making homes that they could not have made otherwise.

245. And having put them on their feet, and, in the case of Cheviot, as you say, enabled them to make thousands of pounds a year, they should get the freehold of that land without revaluation ?—I would not pass an opinion as to valuation, but I think means should be devised for giving them the freehold.

246. You believe in the lease in perpetuity as the best system of leasehold ?—Yes; unless you have the lease with the right of purchase.

247. How do you view a lease for fifty years ?—I would rather have the lease in perpetuity.

248. You think it is better for settlement ?—Undoubtedly. Fifty years is not long for a tenure. I believe in seeing all the settlers of the country freeholders. I do not think it is advisable in the interests of the State to have too many tenures.

249. A large portion of Cheviot is settled on twenty-one-year leases ?—That is the small grazing-runs.

250. Were they prosperous ?—Yes; I was rather surprised at that. The homes on those were very comfortable-looking. In fact, those homes were alongside an estate held privately, and as soon as you crossed the boundary you could see the difference at once. You could almost see the mortgagees' stamp.

251. It seems rather an astonishing thing that you went and found all these fine buildings and the best-farmed land in the colony and all the other advantages of the leasehold, and still favour the freehold which bears the mortgagees' stamp ?—I do not know that I am here to debate the question. I could give you my views on that point too. I do not think this mixed tenure is in the interests of the community, and if Cheviot was peopled on the same areas as now under freehold, and restricted as to aggregation they would enjoy the same prosperity.

252. Would it be freehold if all these restrictions were placed on it ?—Yes. I understand that most of these settlers are willing to have the freehold title indorsed in such a way that no man can ever hold two of the sections.

253. You said that the Farmers' Union favour small holdings. What do they propose to do with the present large holdings ?—I do not know that that has ever been discussed, but my own private belief is that the very first thing that should be done is that an Act should be passed to restrict the area to be transferred to any one man.

254. You advocate the deferred payment and said that the good times prevailing now would enable the settler to meet his half-yearly payments, and save him borrowing as he will have to do

under the present occupation with right of purchase in order to get his freehold by-and-by?—The deferred payment before it ceased was altered so that a man paid off in fifteen years the total upset price of the land at $7\frac{1}{2}$ per cent. each year. What I mean is that the settler at the end of fifteen years would pay off entirely. Most of us who buy land under the lease with the right of purchase will have to borrow money to pay the Crown for it.

255. If a man could purchase his holding under deferred payment by so much per half-year, whilst under occupation with right of purchase he has to borrow at the end of the time money must be lost somewhere?—If a man gets hold of money and has no direct use for it he will generally put it to some other use or else spend it.

256. *Mr. McCutchan.*] It seems to me that one flaw in the occupation with right of purchase is that when the ten years have expired the settler has to find a lump sum to acquire the freehold: would you be in favour of an alteration of the law to allow of the capital value being received in instalments as the settler can spare it from his earnings?—I think that would be desirable.

REGINALD ERNEST BECKETT examined.

257. *The Chairman.*] What are you?—I am a sheep-farmer farming 3,500 acres, 2,400 of which is freehold and 1,100 education lease. 1,980 acres of it was originally perpetual lease, but I have since made it into the freehold. I have been farming for the last fifteen years. The bulk of the land is situated across the river at Pemberton. I think the great objection we have to the lease in perpetuity is that the settlers under, having to borrow money, do so at very great disadvantage. Cheviot and other places have been brought forward as instances of the prosperity of those who have taken up land under the lease in perpetuity, but it has to be taken into account that these are lands easily brought under cultivation. Bush land is not the same, and it is absolutely necessary for the tenant to spend £4 or £5 an acre before he can get any return at all. People who go on the land are generally in needy circumstances, and do not recognise until they get on the land the actual amount of money they have to spend before getting any return, and the result is that they find they have to go to the money-lender to get assistance. Money-lenders here, whatever they do in Canterbury, refuse to lend money on those securities under $6\frac{1}{2}$ and 7 per cent. The real trouble of the whole thing is that they fear revaluation. It is all very well to say there is no chance of it, but revaluation schemes have been brought down on several occasions. In 1894, Sir John McKenzie said, "The people of this colony desire to be in such a position that they will have a home that they can call their own and that it will never be revalued for themselves or their children." Within a very short time Sir John McKenzie himself brought down a revaluation scheme in 1895, another brought was down in 1899, and another in 1901. You asked a question of a previous witness, I think, as to whether this land was likely to be taken in by these Bills. In the interpretation clause "land" was thus defined: "Land means land of every description, by whomsoever owned, and by whomsoever invested, and includes Crown land, public reserves, and Native land."

258. That does not include lease in perpetuity?—They are Crown lands. That is the definition of "land" in the Fair Rent Bill.

259. Was that Bill to be retrospective?—Undoubtedly it must be. There was nothing in the Bill to say it was not to be retrospective. With regard to residence, I think the people ought to be allowed, if they do not reside themselves, to find a substitute. It cannot matter to the Crown whether A or B occupies the land. There is no reason why B, who is manager for A, will not have as many children as the owner of the land. Managers are not that particular class of people who do not have families. It was said that you cannot afford to have managers, but that is not of any consequence at all. There are many people in shops and businesses who would make excellent settlers, but they find that they cannot take up land because circumstances will not allow them to do so because they cannot reside on the land. It could not possibly hurt the State to allow them to put on a manager. I certainly think that the lease in perpetuity is a very bad bargain for the State. At the present time the rent is 4 per cent. They make an extra allowance for prompt payment, and that brings the amount down to $3\frac{1}{2}$ per cent., and we may assume that it takes another $\frac{1}{2}$ per cent. to collect the rent. Consequently the State only gets 3 per cent. from which it pays "thirds" and "fourths," so that the State gets really below 3 per cent.; 3-per-cent Government stock is worth 94, so that if the Government invested this money in buying back their own debentures it would not only realise £100, but would realise £106. Consequently it would be a great advantage to the State if it did not want to do anything else with the money, to invest it in our own debentures at 94. In regard to the aggregation of estates, statistics show that very large estates are not increasing in size, but are going down, and are decreasing in number. The smaller of the larger ones have, perhaps, increased, but that is due to the bigger ones having been cut up. With regard to the advances to settlers, the difficulty is one that most of us suffer from: that they have not the money to advance. When they had the money they were in the awkward position that people on Crown lands could not take the whole of it. People who were well-to-do and had an overdraft from the bank immediately thought that it would be a good thing to apply to the Advances to Settlers Department to get the money, and the result was that the money which should go to the settlers was mopped up by people in the well-populated districts. The Department has lost its money through letting it out to first-class people instead of lending it to the people who are poorer.

260. *Mr. Johnston.*] Would you advocate giving leaseholders on education endowments the right of purchase?—No; because I think those endowments are required for a purpose, and their position is entirely different to that of the lands of the State. If the people are prosperous then the State is prosperous, but these special endowments were put by for a special purpose.

261. Would you give the large runholders in Otago the right to purchase their leases?—No, I would not; I do not think we should give the right of purchase to anything beyond the small grazing-runs, because it might be necessary in the future to cut up the larger runs.

FEILDING, TUESDAY, 6TH JUNE, 1905.

ROBERT BRUCE MACKENZIE examined.

1. *The Chairman.*] What are you?—I am a farmer, living in Carnarvon County, Manawatu. I farm 1,200 acres freehold. I have been on the present farm a little over five years, but I had a farm in the same district for twenty-five years before that. I have been living in the Rangitikei district since 1854.

2. Is there any particular point you wish to bring before the Commission?—There are three points on which I would like to give evidence—namely, land-tenure, the ballot system, and loading for roads. In the first place I would like to say that I am here on behalf of the Rongotea Branch of the Farmers' Union, which comprises ninety-three members. They are unanimously agreed as to the tenure of land. I say that they are unanimously agreed because at the last meeting when this matter came up, one member made a proposition somewhat varying from what we had agreed upon and he could not get a seconder. Our branch of the union has discussed this thing in every way in which it could be taken, and we have arrived at this conclusion, that the freehold tenure is the best tenure, not only for the farmer himself but for the country as a whole. In fact, the view we take of it is more in respect to the good of the country than for the good of the farmers themselves, because most of us are already freeholders, and it does not really affect us. I would make it perfectly clear, however, and to be very emphatic that we are not opposed to the leasehold, and we have never been opposed to the leasehold. I want to be clear about that, because it was stated on the platform and in the Press of the country that the Farmers' Union was opposed to the leasehold. We are not opposed to the leasehold, provided that they have the right of purchase. It has been argued at our meetings from all points and with those outside also. It has been said that it would be immoral and unfair to make a breach of contract and to give the lease-in-perpetuity holders the right to acquire the freehold. It would not be immoral to alter the present condition of things provided both parties were agreed to it. If both parties agree to an alteration there is nothing immoral about it. Supposing two men apply for land, and one, on being asked what tenure he wishes to have, replies that he desires the freehold. He is asked if he has the money, and he replies that he has plenty of it, and he gets the freehold. The next man comes in and he is asked what tenure he desires, and he replies that he would like the freehold, but, as he has not sufficient money, he will be content with the leasehold, and he is told that he will get a leasehold. He asks if he will be placed on the same footing as his rich neighbour when he has got the money, and if the reply is "No, you are a poor man and have taken a leasehold and must remain a leaseholder for ever," it appears to me that there is nothing liberal about that. We are anxious that farmers shall be placed on an equal footing, no matter whether they are poor or rich, or whether they are fortunate in getting a freehold, or so unfortunate that while preferring a freehold have to be content with a leasehold. Then, of course, there is the question of stability of settlement under the freehold tenure as against the leasehold tenure. A man on a freehold feels a free man. He is not hampered or encumbered in any way by inspection and so on. Under the present arrangements I know of some of our neighbours who have been very much hampered in the matter of cropping. I know one farm on which the first crop was a failure, and after the second crop the land was hardly in condition to be sown down in grass, yet this man, although the rushes were springing up all over his land, had to comply with the regulations and sow down in grass. It has been suggested that those regulations should be relaxed, but, for my own part, I think it is quite necessary that there should be regulations with regard to leasehold land, and that they should be enforced. The only remedy in my opinion is that the man should get the freehold, and then there is no necessity for inspection or anything else. The land will be the man's own, and he will attend to it. There are many other reasons that might be given. On the question of loading, I think the easiest course for me to pursue is to give an example. I know of friends of mine who have taken up land in a district which was loaded for roading, and it worked out this way: some three years after they had been there, and paying interest and rates, they applied to the local body for some work to be done on their road, saying that their accrued "thirds" or "fourths"—I am not sure which—must be sufficient to make the road. The County Council said there was not sufficient money. They said, "We have paid our rent for so long and the money must be there." The County Clerk said that that seemed feasible, and they then went into the matter and wrote to the Department, and the reply they got was that they were paying rent on a value and loading of £1 5s. per acre. The land was valued at £1 and there was 5s. loading, their rent being 1s. 3d. per acre, and that they were entitled to "thirds" or "fourths" of the rent—namely, 1s. per acre, but the other 5s. was interest on the money advanced for the roads, and they were not entitled to any part of the 3d. charged on that as "thirds" or "fourths." They next discovered that they had been paying interest on that 5s. from the day they had signed their lease, but the money had not been spent on the roads for three years after paying interest on it. They also found that if they had borrowed the money under the Government Loans to Local Bodies Act they would have repaid it in twenty-two years, whereas it has to be continued for 999 years, and the principal is still owing at the end of that time. It would be much better for these people that they should be allowed now to borrow under the Government Loans to Local Bodies Act and pay off the 5s. an acre, and so get rid of that incubus. The interest on 5s. seems a small thing, but it is 3d. per acre, and in many instances it amounts to more than the general rates in the early stages before they have improved their land. Another thing is that this money was, in the case I have mentioned, spent by co-operative labour, and I feel quite certain in saying that if they had £100 spent they did not get fifty pounds' worth of work for it, and the settlers themselves, who were paying the loading, were not allowed to work on the roads and to earn that money back again, but it was given to co-operative workers who were not settlers on that block. I think it has been shown that the system of loading lands for roads is a bad one and ought to be discontinued. With regard to the ballot system, I would like to say that this evidence is on my own account, and not on behalf of the

Farmers' Union. I have for a long time thought that the ballot system is a very bad way of deciding who should have a section. It seems to me that the only circumstance under which a ballot should apply is where the conditions are exactly equal. If two equal men apply for a section the system of ballot would be justifiable; but, as a matter of fact, it appears to me that when you go into a room to ballot for a piece of land, any one who puts in an application in due form is taken for granted to be equal to all the others who have applied. In my opinion, the man who is born in the country and grown to manhood there, and has paid rates and taxes, as well as his father before him, to make the country what it is, that man surely has a greater interest in the country than the man who only landed yesterday, or a man who even lands twelve months hence, because a resident of the colony who goes in for a ballot to-day and is not successful may go in for a ballot twelve months hence and be superseded by a man who has only just arrived in the colony. That principle is already admitted in regard to old-age pensions, where a person has to be a certain number of years in the colony before such person qualifies for a pension. The only occasion when a ballot is admissible is when the conditions are exactly equal.

3. What would you put in place of the ballot system for the general disposal of Crown lands?—I suppose you would have to fall back on the auction system.

4. That has been tried and found to have many defects, and the ballot was taken up in lieu of it?—I think, perhaps, if all land was sold by auction, it would do away with the idea that those who are taking the leasehold are getting more than they pay for. If land is worth £1 an acre, the man who wants it will pay £1 for it, and if it is worth 10s. let him pay that, and if it is worth £100 an acre let him still pay what it is worth. The way to get at the worth of land is to submit it to auction; but if we say land is worth £10 an acre, and we will make the upset £5 per acre and ballot for it, we give the man who is lucky enough at the ballot £5.

5. There is an attempt always on the part of the Department to put a fair price on the land before it is put up?—In some cases I believe they put it too high, and in some cases too low. There was the old system by which applications were received for sections, and if more than one applied for a particular section that section was submitted to auction. Some men gave too high a price for land, but they do that in any case. I have heard of a case, which I believe to be correct, of a man who had drawn a section being offered £250 for the section before he left the ballot-room. I think the State should get that £250, and not the individual.

6. *Mr. Johnston.*] Have you a personal experience of leasehold property?—No.

7. Have you ever been a lessor or a lessee?—I am both just now. I have got a small Native lease at the present time adjoining my property—at least, my son holds the lease, but we hold the two places together.

8. Is that lease satisfactory?—No, it has been rather unsatisfactory, because we have not been able to get a proper lease.

9. Is that the only practical experience you have had of leasehold land?—Yes.

10. Your evidence is practically hearsay, except in these particular instances?—I would not like to say that they are practically hearsay. I am a farmer, and have been living amongst farmers all my life, except for a time when I was auctioneering, and that gave me an exceptional opportunity of meeting the farmers.

11. Have you had any personal experience under Government lease?—I have had no Government lease, but I have had land under deferred payment.

12. What number of farmers are there at Rongotea?—There are ninety-three in our branch.

13. What is the farming population of Rongotea?—It is merely a guess, but I should say about one hundred and fifty.

14. Are the farmers there all freeholders?—Most of them, I think, took up land in the Douglas Special Block under the freehold system.

15. Did they pay cash?—I think some paid cash and some had terms from the Douglas Company (Robert Campbell and Sons), and some bought Government land there.

16. The small settlers at Rongotea would never have been on the land but for the leasehold?—Yes; all the Government land was cash, excepting what we call the Taipo district, where the land was under the deferred-payment system.

17. These men could not have got on the land if they had got terms?—I think they could.

18. Could 75 per cent. of the farmers on this coast pay cash for their land if it was put up for freehold sale to-morrow?—I think more than that could. If you mean that they were to pay absolute cash without raising money, perhaps not; but I think that more than 75 per cent. of the farmers on this coast, or round about Rongotea at all events, could raise the money or arrange to pay cash for it. I am a poor farmer myself, but I arranged to pay over £10,000 for my farm five years ago.

19. What is the difference between paying Government rent and interest on mortgage?—The greatest difference of all is that the interest on a mortgage is a thing that a man can look forward to clearing off some day. He has the right to clear it off, but the rent under lease in perpetuity goes on for ever, and there is no getting rid of it. The moral effect of it, to my mind, is, that if a man takes up land, so long as he can meet his rent when he starts farming as a young man, he is satisfied, and thinks he is doing well if he is paying his rent; but when he gets an old man he is not able to do it. There are two kinds of leasehold under exactly the same tenure. If a man takes up bush land, and only pays 1s. per acre, and the improvements are his own, it does not matter so much; but in the case of the land acquired under the Land for Settlements Act, where a man has to pay on the full value of the land, and, in some cases, pays as high as £1 5s. per acre rent at a time when land stands at its highest point in the history of the colony, if he thinks he is going to have 999 years of prosperity without a bad year, he does not think as I do. I think that bad times will come, and, although a young man may succeed for a few years in paying his interest, yet, when his family grows up, and have left the old man and old woman at home, there

will, I think, be a difficulty about the rent. On the other hand, if they had the freehold, they could under the circumstances do something with the land to maintain them in their old age.

20. Have you had any experience of the Land for Settlements Act?—Not personally.

21. *Mr. Paul.*] You mean to say that the leaseholder is generally thriftless?—No; but, for all that, I do not think he will pay off small sums in the same way as he would if he had a mortgage.

22. The real point is, what is to prevent the leaseholder saving his money and generally improving his position?—Simply because he has not got such a spur to keep him up to it. He knows his rent will go on whatever happens. If he has £200 he may spend it on something he really could do without, although I do not mean that he is thriftless.

23. Do you think a man is a fool if he is a leaseholder? Do you not think he could value other possessions just as much, independent of whether he was a freeholder or a leaseholder?—That is so; but, as a matter of fact, so far as my experience goes, he does what I say.

24. What system of straight-out leasehold does the Farmers' Union believe in?—Any system that would give the tenant the right to acquire the freehold.

25. You do not believe in any system of leasehold?—We believe in any system of leasehold, provided the tenant has the right of purchase.

26. Do you think the leasehold is a very bad tenure, and against the best interest of the community?—Yes; I am fully persuaded of that.

27. Would you give the freehold to the leaseholders of endowments and of private owners?—No; an endowment is made for a special purpose, and in regard to them, it is not the farmer that has to be considered, but the purpose for which the endowment was provided.

28. Let us rather consider the position of the tenant outside that of the endowment. Do you think, in the case of the endowment, he should put up with all the inconveniences and drawbacks which the leasehold gives him?—The chief thing in making an endowment is to maintain and improve some institution for which that endowment has been made. The tenant is not considered at all. The intention of the legislative body in making the endowment was to care for the institution, and if you are going to consider the benefit to the tenant you are getting away from the original intention of the endowment.

29. Do you know of any endowment on which the tenants are making a decent living?—I know of several educational reserves in our district where the land is fairly good, and the tenants are making a decent living.

30. You think that the leasehold puts a poor man at a disadvantage as compared with the rich man, who can buy land for cash?—Yes, certainly.

31. In another part of your evidence you wish to put the poor man at a disadvantage as compared with the rich man, by putting the land up to auction: how can you reconcile those two positions?—I do not wish to put the poor man at a disadvantage by putting the land up to auction; but I say the poor man, who has in the first place to take up a lease because he cannot afford to buy for cash, when he is in a position to acquire the freehold, he should have the right to do so.

32. That is restricting his choice of land, is it not?—No.

33. You admit that he cannot compete with the rich man at auction?—He competes, and has the option of whether he takes the lease or not. It is merely a question of whether it should be decided by auction or ballot. My own private opinion is that it is better to decide the matter by auction than by ballot, except where two cases are actually equal.

34. Do you think that the principle of examination of applicants, provided by the Land for Settlements Act, should be extended to the Land Act of 1892?—I think that would be a good thing.

35. *Mr. McCutchan.*] You think that where lands are loaded for roads the work should be reserved for the settlers?—I think the loading is a bad system altogether; but if a man is unfortunate enough to be in a district where the land is loaded for roads, the money should be handed over to the local authorities, and my experience of local authorities is that they can do just about twice as much as can be done under the present system.

36. Where land has been loaded for roads, and the loading has been expended, you advocate that the borrowers should have the right to borrow under the Government Loans to Local Bodies Act, so as to extinguish their loading?—Yes.

37. You spoke of a block which had been loaded for roads, and no expenditure incurred for three years: what is the name of that block?—It is in the Ruahine district, but I have been misunderstood. I did not say that no roading had been done on the block, but that no roading had been done to these particular sections.

38. Can you state that no part of the loading was expended for three years?—No. Part of it was expended, but the road for these particular people was not made for three years.

39. The loading was expended in giving access as far as the loading would go?—That may be so, but I do not know. What I was speaking of was more particularly the "thirds" or "fourths" which should have accrued.

40. If they got the third of the rent from the capital value of the land, exclusive of the loading, and they got the loading expended on the roads, any claim for a third from the loading is inequitable?—I claim rather that the loading should be done away with altogether.

41. Do you think that the loading should cease as soon as the State is reimbursed?—Yes.

42. And you advocate now that the settlers should have the right of borrowing the amount of the loading under the Local Bodies Loans Act, so as to extinguish their obligation under their lease?—Yes, if they wish it.

43. *Mr. Anstey.*] In view of your opinion as to the leasing of endowments being retained, do you not think that the country should cease to make any reserves for any purpose?—Yes.

44. Seeing that the leasehold is not in the best interest of the colony, should it not be compulsory on all private owners who lease land to insert a purchasing clause in their lease?—If the interest of the country only were considered, it would be a good thing to do so; but it is another question in arbitrarily dealing with a man who has bought land and paid rates and taxes on it. It

might be argued that it would be in the interests of the country to have a fair division made of the whole capital of the country, but the question of the right of property at once comes in, and I would not advocate anything in that respect.

45. You think it would be right in the interests of the country but would trench on the interests of the individual?—Yes.

46. Is your experience of the Advances to Settlers Department satisfactory or the reverse?—Satisfactory, so far as the amount they would advance. In my case I applied for £1,500, on land which they valued at £4 an acre, and they only gave me £1,400, but within two or three years I sold the place for £7 10s. 6d. per acre.

47. Is it a good system?—Yes.

48. *Mr. Paul.*] This Native lease that you have: do you find it satisfactory to lease land?—Generally speaking, yes. It is most satisfactory for my sons, as it is the only thing they can do.

49. Can you tell me how many Crown tenants there are in your branch of the Farmers' Union?—I do not think there are any; they would be in the Sandon Branch, a little distance away.

50. *Mr. McCutchan.*] Is the reason why there are no Crown tenants in your branch because there are no Crown tenants resident in the districts your branch deals with?—Yes, that is so. We asked the Commission to sit there and see the advantage of special settlement under freehold. The Manchester Block is another example, and the Sandon Block another. These three settlements are to-day, I think, about the three most prosperous in the Colony of New Zealand.

ALLAN ROBINSON examined.

51. *The Chairman.*] What are you?—I am a farmer, holding 1,250 acres of small grazing-run leasehold and 500 acres freehold in the Maungakaretu Block, in the Wanganui County. I have been twenty years in that district farming. I am paying 7½d. per acre for the grazing-run. As a leasehold, I am satisfied with the tenure. Generally speaking, I am in favour of the leasehold, with the option of the freehold at any time the farmer is disposed to buy it.

52. Is there any particular point you wish to bring before the Commission?—I have no objection to the constitution of the Land Boards, but I think there should be a right of appeal against the Land Board's decisions. Sometimes they are apt to be too arbitrary. With regard to land-tenure, I am quite satisfied, except that each tenant should be allowed the option of the freehold whenever he is in a position to acquire it. For various reasons it adds to the farmer's sense of security, makes his capital liquid and so adds to his prosperity, and makes his position equal to that of the adjoining freeholders. It also encourages reforestation, and helps with the roading of the country. I do not think that the residence condition on Crown lands should be compulsory. It seems to me that the settlement of the country is somewhat retarded because of the residence conditions. Many persons in city employment and tradespeople are desirous of getting a piece of land in the country for their children, but they are not allowed to do so because of the condition which requires them to reside on that land, and which bars them from following their ordinary avocations. In many cases, owing to the land-configuration, the area allowed to be held by any one man is insufficient, and I think that the classification is absolutely wrong as it stands at present. The law provides that land sold at over £1 per acre may be classed as first-class land, and land sold at under £1 per acre as second-class land. I think that land ought to be classified by experienced men according to configuration. My land was taken up when land was not classified at all, and now I am in the position, apparently, of holding more land than I am entitled under the Act, because having leased this at a rent at more than £1 per acre it is regarded as first-class land, although the land around it which was sold at less is considered second-class land. Leasehold destroys self-respect. Numbers of leaseholders who take up land sign a declaration that the land is for their own use only, and such declaration is in many cases not true. Nevertheless, that is done all over the colony, and so I say the leasehold tends to dishonesty. I have no alteration to propose in the ballot system, except that if one has been unsuccessful in one ballot he should have priority in another. I have been in three separate ballots, and in no instance have I been successful. There should be an opportunity for every one getting land in some way or other, without having to buy from the owners of the freehold. Where I come from there is no such thing as loading for roads, but it must be patent to every one that it is far better for the local bodies to expend the loading for roads than the Crown. Although the co-operative system is a good system so far as the men are concerned—and they are not overpaid for their work—still, £100 will not go so far when spent by the Government as when spent by the local body. I cannot tell the reason why, because I am not underneath the surface. With regard to the price at which the freehold should be given—I am thinking now about my own particular district—if the freehold is not given at the original value, it presumes that the land has a value that the settler had nothing to do with. In bush districts I think the land has no value that the settler has not wholly to do with. The fact of his going into that country and taking up the land in its wild state, and clearing the bush and farming it successfully, gives it a value which has been produced by his time and labour, and therefore that value should be returned to him in the event of his taking the freehold. Let us take two instances. I take up land under the optional system, and my next-door neighbour obtains a freehold. I am as good a settler as he is, and clear as much bush and put as much ground into grass, and erect as substantial and as much fencing as he does, but at the end of ten years his position is better than mine, possibly by 25 to 50 per cent., simply because he had enough money to take up the freehold at the start, and I had only enough money to take up a leasehold. At the same time, I have been as good a member of the community as he has, and I do not see why my position in the country should not be as good as his is. I consider that if the freehold is given it should be given at the original value. The Act has been altered with regard to small grazing-runs with respect to rating purposes, but on the leasehold-tenure blocks they are borrowing under the Loans to Local Bodies Act to get their roads. That state of things should not exist. The regulations under the Loans to Local Bodies Act provide that at least half the rating area must be freehold before a loan can be granted.

That seems to be a distinct diminution of the leasehold system. I do not see why a number of people taking up a large area under the leasehold system should not be able to borrow money to road their land in the same way as is the case in connection with a large area taken up under the freehold system. Therefore, I think the Act would require amendment so as to enable that to be done. With regard to the question of the aggregation of large estates, I think that if the land is not suitable for close settlement the aggregation of estates is going on; but from my experience where the land is suitable for close settlement the reverse is the case, and the estates are being broken up as time and opportunity serves. Holders of 100, 200, 300, and even 600 acres of very rough country are very anxious to get away. They are a long way from markets, they are not able to make sufficient to live on, and, therefore, they are desirous of selling out and buying land where they can make more money by dairying, and that is my answer to that question.

53. With regard to Land Boards, while you approve of the present constitution you think there should be an Appeal Board: what do you think that Board should consist of?—The only Appeal Board, as a rule, is the Supreme Court. I think decidedly that a settler, on submitting his case to the Land Board, ought, on being treated as he thinks in an arbitrary way, to have the right to appeal to some Court, which is able to overrule or confirm the decision of the Land Board.

54. By law, there is now a power of appeal to the Supreme Court on the question of the interpretation of the law, but if the Supreme Court had to be the Appeal Court on questions of administration it would be a very unworkable thing—in fact, it would lower the Supreme Court very much to begin with, and would be positively unworkable?—Is it not generally the opinion that there is no appeal from the decision of the Land Board.

55. There is an appeal to the Minister, who represents the Government, and the Government represent the country?—But if the Minister had a Court of Appeal it would be satisfactory to the appellant.

56. Have you had any experience of the Land Board acting in what you call an unreasonable—an arbitrary—way?—Personally, I have only had one experience, but it has not been with the Land Board; it has been with the Chairman of the Land Board. I made an application for a section, and was told that, although the application would be considered, the Land Board would have to decide as to whether the application could stand, for the simple reason that I was the holder of more land than I was entitled to hold in conjunction with the section I already held. My contention was that I was, and in making the application I mentioned the possibility. I considered they might think so. I stated my case, and if I had been a successful applicant I would not have been allowed to hold it.

57. There was a difference of opinion between you and the Commissioner. Did he refer it to the Land Board?—I was not successful, otherwise it would have been a distinct injustice if I had not got that land.

58. Then, you cannot suggest any other Appeal Court than the Supreme Court?—No.

59. Speaking of roads, you said the co-operative workmen earned all they got, and did the work cheaper, but at the same time you could not explain how it was that the local body would get more work done for £100 than was done under the co-operative system?—I said that I could not understand it, and that I was not underneath the surface in the matter. In this district I know of two or three fairly large sums of money which have been voted for the construction of roads, and I hold that if that money was expended upon the road then the road has cost something like £900 per mile.

60. By the local body?—No; it was expended by the Government under the co-operative system, and the value of the work done was not £500 per mile.

61. Then, such a glaring difference as between the actual worth and the actual expenditure requires explanation. Can you explain how it came about? Did they dawdle over the work?—It does not matter whether they dawdled or not, their work is done by contract at so much per cubic yard. As a matter of fact, the money was voted, and it is said to be expended, and there is only a certain mileage of road constructed.

62. But, supposing the local body had expended £900, in what way would they have proceeded—by day labour?—No, by contract.

63. You say the two systems are analogous—co-operative and contract?—Only in so far as the contract is by the mile and the other by the yard.

64. Well, you cannot explain why there was this glaring difference in the construction of this road?—I have my opinion, but I do not want to state it.

65. *Mr. Johnston.*] Are you representing a number of farmers or only yourself individually?—Solely myself.

66. Are you satisfied with your tenure of the lease of this grazing-run as a leasehold?—As a leasehold I am satisfied with it.

67. Could you have taken it up had it been open to you as a freehold?—Yes.

68. Why did you take it up as a leasehold?—Because it was not offered as a freehold.

69. Are the settlers generally up there satisfied with their tenure?—Yes. They would change it if they could, but they are satisfied with it as leaseholds.

70. What is at the bottom of their objection? Is it the insecurity of the tenure, or is the freehold more advantageous financially to them?—More advantageous financially.

71. That is the true reason why they wish to have the freehold?—Just so.

72. *Mr. Paul.*] You know the right of appeal now given is to the Land Board in the first place and then to the Supreme Court: you can take the case right to the Land Board and then appeal from their decision to the Supreme Court?—I was under the impression that that was not the case.

73. You will find that the Act gives you that right?—I was reading the other day that the Land Board's decisions are final.

74. With reference to the expenditure on roads, is the money really expended? From your results I gather that a certain amount was said to be put against a certain road to be expended, but you do not think that money was expended?—I did not say that. The amount is expended, but it has not constructed the necessary mileage of road.

75. Do you not think you should add something else, having made that definite statement?—You would not wish me to say where the money goes.

76. I would like to know?—I do not know, only it would amount to this: that if the cost of road-making is 10d. per yard, on this particular road the cost of road-making has been something like 1s. 8d. per yard.

77. And the co-operative labourer has not got that money?—He has not got the difference between the 10d. and the 1s. 8d.

78. In respect to original valuations—you spoke of bush lands—have you any knowledge of the settlements under the Land for Settlements Act in the south?—None whatever.

79. *Mr. McCutchan.*] Have the residence conditions operated harshly in your own case?—I was not required to reside, and, therefore, they have not borne harshly.

80. Being a resident on your freehold, that fact has been allowed to count as residence on your small grazing-run?—Under the peculiar Land Act of 1882, any one residing within nine miles of their section were not required to reside.

81. You had the grazing-run prior to 1892?—We have it under the Act of 1885.

82. You made a remark that one-half of a rating area must be freehold or else a loan could not be raised?—Yes.

83. Are you quite confident of that?—That is to say, that if half the rating area is freehold a security is not regarded as sufficient to enable the loan to be granted under the Loans to Local Bodies Act.

84. Would you be surprised to know that the Loans to Local Bodies Department makes advances where the whole of the rating area is leasehold?—I am not surprised at anything; but that is the law I am telling you.

85. I think not?—I have been the chairman of a local body for some time, and that is the reason given why the loan has not been granted, because the security is not sufficient. I think it is a half, but I am not certain. A large proportion must be freehold.

86. Is it then not a strange fact that the Stratford County Council has raised twenty loans, where the rating areas were composed entirely of leaseholds?—We raise a loan where there is very little freehold in the area. At the same time, it was not the law.

87. Then you charge the Department with making advances in direct contradiction to the law of the land?—I have made no charge, but mentioned simply a fact.

88. You made a statement which is tantamount to that effect?—My statement is quite correct.

89. You said you are the holder of more land than you are entitled to hold?—I thought not, but the Chairman of the Land Board considered that I would be the holder of more land than I was entitled to hold in conjunction with the section I was applying for. The position is that the 1,250 acres are valued at £1 5s. per acre—that is, 5s. over the £1. Therefore, from his point of view, my land was first-class land.

90. Do you know of any land in the Wellington District with a capital value in excess of £1 which is classified as second class?—Plenty of land just immediately adjoining my section was sold at over £1, and is classed as second-class land, and that is a case in point where I consider the decision of the Land Board ought to be appealed against.

91. *Mr. Anstey.*] You say that tenants in your district are generally satisfied with their tenure as leaseholders?—Yes.

92. What tenure are they on?—Small grazing-run chiefly, but there are several settlers in the village settlement under that portion of the Land Act.

93. What tenure is your small grazing-run?—The right of purchase.

94. Burdened with valuation for improvements?—Yes.

95. Are there a number of settlers with the occupation with right of purchase?—There were, but they have all acquired the freehold.

96. Are there any holders of the lease in perpetuity?—None.

WALTER WATSON examined.

97. *The Chairman.*] What are you?—I am a farmer, farming about 1,700 acres, partly leasehold: 918 acres is a small grazing-run; there is one small reserve of about 60 acres, leased from the Government; a bridge reserve, and the balance is freehold and leasehold from private persons. About fifteen years ago I took up that small grazing-run, and, of course, we generally believed that the leasehold tenure was all right in those days; but I found out since my lads commenced to grow up that they objected to work on leased land. They said to me, "What is the use of working away there when our time will soon run out." The lease was only for a term of twenty-one years, and I have great difficulty in getting my lads to take any interest in farming on that land. One got very dissatisfied, and went to South Africa with a Contingent, and on his return he went away carting, and I never could get him to take any interest in the land. We believe the freehold is the best. Last Christmas I took up 600 acres occupation with right of purchase, and that altered the whole matter, and since then the lads never talk about going away from home, but have settled down to work, and I have no trouble with them. This convinces me that the freehold is positively the best tenure. As far as the small grazing-run is concerned, I have nothing to find fault with as a leasehold, but I really do think that the freehold is very much the best, because it gives so much satisfaction and encouragement to our boys.

98. What rent do you pay for the small grazing-run?—6d. an acre. It is broken second-class country. A very small portion could be ploughed.

99. Is there any other point you wish to refer to?—I also represent the Apiti Branch of the Farmers' Union. It is a large district, fairly well scattered, and I thought it was only right to bring the views of the people before the Land Commission. I thought upon a scheme accordingly. I got those two papers you see in my hand, headed "One in favour of Leasehold," "One in favour of Freehold." As I travelled the district in the interests of the union, and in connection with the fire insurance for settlers, I took around these papers. When I started out I had no idea of who would be in favour of the freehold and who would be in favour of the leasehold, but I was very much surprised when I handed these papers to the settlers—I used no influence with them to get them to sign—to find that a very large bulk of them wanted the freehold. A large number of these are Crown tenants, and I have here the names of seventy-nine persons who wish the freehold, against two who are satisfied with the leasehold. I only canvassed part of the district, through want of time, as the Commission came on us so quickly; but I think the general feeling of the back-block settlers who have the leasehold is that if they had the freehold it would give them borrowing powers. Many of them seem to be in rather a bad way, and I think if they had the freehold it would enable them to borrow sufficient money to fell the whole of the bush, put it into grass, stock it, and I feel sure that they would have a better living than they are having now. They are very hard up, their places are very little improved, and that is the objection they have to the leasehold.

100. *Mr. Paul.*] What is the term of this private lease?—There is only one private lease—a ten-years lease with a right of purchase.

101. Your son got dissatisfied and went to South Africa?—Yes.

102. Was it on account of patriotism for his country or dissatisfaction with the leasehold tenure?—I think it was general dissatisfaction all round. I could not get him to stay on the land, as he saw there was nothing for him in the future.

103. Do you know of any young men, the holders of freehold land, who went to serve their country in South Africa?—Not very many went from our district at all.

104. *Mr. McCutchan.*] You say you have recently taken up the leasehold on the occupation with right of purchase. After ten years that right will be available. Is it the disadvantage of that tenure that the man, when he comes to purchase his land, has to find a lump sum to do it with?—No, I do not think so. That does not alter my case. We have, in fact, paid off another amount, and will pay the balance at the end of ten years.

105. It is not a lease from the State?—No, a private lease.

106. Do you not think that in the case of a struggling settler that having the right of purchase in ten years might lead to heavy borrowing?—It might be so; but it would give very much more satisfaction to the settlers and their children, because the land would be theirs some day.

107. Do you think it would be desirable to change the law in the direction of allowing tenants to pay off the capital value by instalments after ten years have expired?—I certainly do. I do not know that it would be as good for the poor settlers as the deferred-payment system.

108. Would you consider, with that amendment in the occupation with right of purchase, it would be equivalent to, or even better, than the deferred payment, inasmuch as the payment in the early years of the settler would be smaller?—I am not quite clear on this point.

109. *Mr. Anstey.*] You say that the fact of your having the leasehold was what induced your son to offer himself to fight for his country?—I did not say that, but that he was generally dissatisfied.

110. Supposing you had a freehold, he would not have gone?—I am certain. Last Christmas he was going to clear out again, but I have induced him to stay by taking up the occupation with right of purchase.

111. Then, according to you, the only soldiers we will get to fight the battles of the country will be leaseholders?—I do not say that at all. I think if men were necessary plenty of our boys and men would be ready to fight.

112. Would the fact of your having a leasehold have anything to do with your boy going away?—No; only he was dissatisfied with the conditions on the land.

113. Are all these people whose names appear in the papers you put before the Commission freeholders or leaseholders?—No. Unfortunately, I forgot to jot down who were Crown tenants, but the bulk of them were Crown tenants.

114. These documents are not worth the paper they are written on. They do not put any position before the people who are asked to sign them?—In our opinion, they are worth something.

115. Among the members of your Farmers' Union are there many leaseholders?—They are mixed up—some freeholders and some leaseholders.

116. In about equal numbers?—I could not say.

117. Have you had any experience of the Advances to Settlers Office?—A little.

118. Was the result satisfactory or otherwise?—At first it was not satisfactory. After I took up a leasehold I applied for a sum of money, and had great difficulty in getting it. In the first place, they offered me £200 for £1,000 of improvements. After a lot of trouble I got it increased to about £250, which was of very little use to me. Later on, a private person offered me £500 on the same security, and I took that and paid off the Advances to Settlers.

119. You think they are not sufficiently liberal?—No.

120. How are your relations with the Land Board generally?—I do not think I have had any trouble with them.

121. Are they satisfactory?—I think so.

122. *Mr. McCutchan.*] Did you get this money from the private source on as favourable terms as the Advances to Settlers Department are giving: did you pay a procuration fee?—I did not.

123. What was the rate of interest?—It is years ago, and I have forgotten. I think it was about 6 or 7 per cent. Later on this man required his £500, and offered to get the same sum

from the loans to settlers. I agreed, and he arranged it, and so I have it just now with the Advances to Settlers Department.

EWEN ALEXANDER CAMPBELL examined.

124. *The Chairman.*] What are you?—I am a farmer holding practically 1,700 acres of a small grazing-run. I have held it nineteen years. I also own now 374 acres of freehold. I pay 6d. an acre for the grazing-run. I am chairman and managing director of the Wanganui Freezing Company.

125. Are you satisfied with your holding under the small-grazing-run system?—I am not satisfied with the tenure at the present time. My views on some of the matters mentioned in the order of reference are as follows: I believe in the present principle of appointing Land Boards, but more care should be exercised in the men appointed. It would be quite as reasonable to select a Board of farmers on banking business as to place men who have never made their living off the land or had any experience of bush country on Land Boards. I do not know how the land tenure affects bush holders on the other Island, but on this Island its application has many crude restrictions. For instance, if land is valued at more than £1 per acre it is classed as first-class land, and though there may not be an acre of flat on it and covered with bush a man is only allowed to take up 640 acres, or the same area as he would be allowed out in the open of level land worth £10 per acre. Another absurdity is that tenants may burn the timber, but they must not sell it, and if he dies and leaves his lease to his family it remains with the Minister and his self-appointed Land Board to say whether a transfer shall be given or not, so that it is not a secure lease, as at the death of a tenant it may be broken. Many men in towns would like to take up land to spend their savings on for their children when old enough, but the residence clause stops them. What use would it be to compel such men to live on the land? Their means of improving it would be gone; and yet one hears the cry of encouraging people to go out of the towns on to the land. The greatest advantage to this country would be that all rough land now in bush should be improved and made productive. Therefore all land sold for cash or leased should be under stringent improvement clauses, and should be under the supervision of the Ranger for at least the first ten years. If land is improved some one must live on it. Much of the land is valued too high in the first instance. There is land in this district not twenty miles from a railway-station which was offered by the Government nearly twenty years since, and is still unlet; also many thousands of acres of land up the Waitotara River which no one will take up. No doubt the better class leaseholds in some districts where good roads have been made have increased in value since date of lease, but in the rough and more inaccessible country they have not done so. This is partly owing to the land being valued too high in the first place. To give an instance: My leasehold, S.G.R. No. 27, Tokomaru, taken up nineteen years, and nearly all improved, was valued in 1886 at £1 per acre, and when valued again in March this year by the Government Valuer the unimproved value was put at £1 5s.; and my neighbour's, taken up at the same time, was valued at the same as when taken up. It is rough country. At £1 5s. my lease land would be called first-class. I borrowed money on my lease from the Advances to Settlers Office, and have now received notice that I must pay it all back before my first lease of twenty-one years expires. I do not know why, as the improvements are more than double what they were when the money was borrowed, and valued at more than four times the money owing. This may come very hard on many who were led to believe they would have thirty-seven years to pay it back. Within the last ten years most of the large estates in this district have been cut up and sold or leased. Even some of the small grazing-runs have been cut up. There is no tenure as good as the lease with the right of purchase, and all tenants should have the right to purchase where their interest in their holdings is greater than the value at date of lease, as they never can get what their improvements have cost them. For illustration of this, take 100 acres of average bush, valued at £1 per acre. The owner fells the bush, gets a good burn, and a good sole of grass at an actual cost of £2 per acre. The land would stand him then £3 per acre, but if he wanted to sell it or had it valued the price or value would be at least £3 10s. per acre, because it is in grass already to put stock on, and all risk of no burn or having to sow it twice over is passed, and so on. When the fires sweep over the 100 acres, burning the timber on the ground, also fences, gates, and sometimes even the buildings, all have to be renewed and the burnt ground resown. The Government Valuer comes round again, and he says this land has greatly improved, but he always sticks to the original cost, and any increase over that is always on the unimproved value.

126. Have you any suggestion to make with reference to the question of loading on roads? I do not know anything about it, excepting what I know from hearsay, and I would prefer not to give any evidence respecting it.

127. Have you any information of any case in which the widow and family were turned out or required to leave their holding on the death of the lessee?—None. I merely say that it could be done. It is like a verbal lease; the man might be well suited and never turned out, but it is not right that there should be the power to turn him out.

128. Of course, you are aware that the law requires residence and improvements?—Yes. On all Government leases it is so, and I am a great believer in the strictness of insisting on improvements, because that is a benefit to the country as a whole.

129. You think it is possible a man might be allowed to take up land and to put somebody else on to improve it for him—in other words, put his savings into the land?—Yes, as long as the improvements were strictly carried out.

130. There is the difficulty which many of us see, that it opens the door to speculation and dummyism?—I quite recognise that to a certain extent; but dummyism takes place all over the country now, and I do not know it would be any the less if you did what you mention. I do not think a man could do much dummyming if improvements were strictly carried out, and he cannot go in for speculation when improvements are carried on; or the law might be altered to make the improvements greater when a man did not live on the land. Double it if you like, but that is the principle.

131. I am surprised at what you say about your experience of the advances-to-settlers system. I thought that in the case of money borrowed under that system you had a period of thirty-seven years and a half for repayment?—I was under that impression myself; but I am sorry I did not bring my notice with me.

132. Have others got a similar notice?—I think so. It is a general thing, I believe.

133. There was no reason given for calling the money up?—No; only it was to be paid before the first twenty-one years, and there was not a hint given that it would be lent again.

134. Do you get a written notice before the date of payment?—Six months before the lease expires, speaking from memory.

135. Of course, there is the right of renewal, subject to revaluation?—That is so.

136. It may be a precaution on the part of the Office to make quite sure that if you do not get your land again they will get the money?—But, still, if the land is not in my possession it is there with all my improvements, and they are worth four times the money. They are valued at a little under £4,000, and I borrowed £900.

137. Are you satisfied with the lease?—I am not, because the land taken up since 1892 is taken up on very much more favourable conditions. Settlers have waited on the Minister of Lands, who promised the lease would be made into perpetual lease. He did not make our leases perpetual. He merely made us philanthropists, because we have benefited those who came after, and did not in the least benefit ourselves.

138. Would you be satisfied with the lease in perpetuity?—I would be very much better pleased to be rid of it, and not be bothered with the Government or Land Board, and have the freehold, if I could: I do not want any of your perpetual leases with a clause in it.

139. *Mr. Johnston.*] Surely your mortgage protects you against that notice; it seems absolutely beyond comprehension?—I am very sorry I did not bring the notice.

140. Have you read your mortgage?—No; I have not seen it for seven or eight years.

141. Will you undertake to send us a copy of the notice?—Yes.

142. You do not know if any one else has been treated like that?—I have no idea.

143. How long is it since you got the notice?—I think, six months ago.

144. There has been no alteration in the notice since that?—None.

145. Are you representing a body of settlers?—I cannot say I am. There was a discussion at the Farmers' Union, of which I am a member. I was asked if I would attend here, but I do not know that my evidence would be in accordance with theirs, because they do not know what ideas I was advocating.

146. How would you classify land, taking the Wellington Provincial District?—I would classify it possibly in prices, but I would not have several classes, and I certainly would not class land at £1 5s. an acre and £10 an acre as one and the same.

147. Can you suggest the best method of classifying it?—I could suggest it if I had the time, but to explain it here and give you a complicated principle would be asking rather too much.

148. Would you classify it all in one block or in districts?—No. What I object to is that there is too much difference between the first-class land and the second-class land.

149. You think that these timber restrictions should be done away with on the Crown lands?—Certainly.

150. And the farmer should be allowed to sell his timber in preference to having to burn it?—I should rather think so. I think that whatever you can give the farmer is better for him and the country; but it seems by the Act that there is a fear lest the farmer should make a profit.

151. What class of land is it you say that has not been taken up?—Broken hilly land. Two small grazing-runs, with a road made within a mile of them.

152. What is the carrying-capacity?—I do not think more than one sheep to the acre.

153. What is the rental?—6d. an acre. I speak from memory, but it is not yet sold.

154. What is the reason that it has not yet been taken up?—All that class of land is so poor that it will not be taken up unless people can buy it very cheaply.

155. Is there much dummyism, to your knowledge?—I have heard of some, and am quite sure that the residence clause has not had a very great deal to do with it; and if the law was made very much more strict with regard to improvement conditions where people reside off the land it would have a much better effect as far as dummyism is concerned.

156. Would you advocate giving the freehold straight out, or giving it with very strong restrictions as to improvements first?—Yes; I would allow nobody to buy Government land here and let it lie idle.

157. *Mr. Paul.*] Do you know of a case of dummyism where the lessee has resided on the land?—I know nothing about dummyism. I believe there is dummyism, but would rather not say anything about it.

158. Why do you prefer the idea of the perpetual lease to the lease in perpetuity?—Because I do not believe in leaving myself or my heirs to the mercy of the Land Board and a Lands Minister.

159. Is that the only one?—Yes. I do not think the tenure is a good one for the country.

160. You think the old perpetual lease, with a first term of thirty years and periodical revaluation in terms of twenty years, is better?—Yes, I would sooner have it. I would sooner have the freehold, and so would everybody I have met, if they spoke the truth.

161. You think it is rather too much for the State to give a lease for 999 years?—Yes. I think that many hundreds of years before that time expires the lease will have been broken or the holders will be taxed out of it.

162. Do you not think the freehold is a still bigger thing to give?—No. There is the land-tax.

163. Would you give the freehold to tenants of endowments, or would you conserve those lands for the purposes for which they were set aside?—I would say, "Keep them."

164. *Mr. McCutchan.*] It is said that under revaluation a tenant's improvements are largely discounted, because a large number of the improvements are not visible to the valuer. Might not

the Department consider the security depreciated in that way?—The improvements are all there to be seen still. I am not blaming the Department.

165. *Mr. Anstey.*] With regard to the larger areas of unoccupied land, what would you suggest in order to bring them into profitable occupation?—I think they should be given at the very lowest price possible to those people who have heart enough to take them up.

166. That is, sell them the freehold?—Yes.

167. Would that apply also to education reserves in the same position?—I am not an advocate for education reserves being sold.

168. Seeing that some of them are idle, would it not be wise to try and arrange to bring them into profitable occupation?—Yes.

169. If you had a lease conserving the whole of the tenant's improvements to himself, do you think that land would then be taken up?—Yes, I think it is very possible, if they did not ask too much rent.

170. Would not the Government land be taken up on the same terms?—It is possible it might.

171. *Mr. Johnston.*] You contend that there is a large amount of money and a large amount of labour expended in connection with bush land that is not visible?—That is so.

JAMES MCFARLAND examined.

172. *The Chairman.*] What are you?—I am a settler at Aorangi, and I hold 68 acres under lease in perpetuity, and I have held that land for five years. My rent is 15s. 6d. per acre.

173. Is there any particular matter you wish to bring before the Commission?—I wish to say that our settlers have come here in a body, and as one of those who will speak on their behalf I desire to call attention to several matters. First, as to the restrictions in regard to cropping. Our land being heavily timbered with a large amount of stumps in it, we find that it is not profitable for us to lay it down within such a short period as is provided by the regulations. We consider that we are suffering hardships that ought to be removed. It is very rich land, and, in the first place, our crops are partially valueless owing to the richness of it. It requires a number of years in order to give us a payable crop.

174. Have you asked the Land Board if they will give you that concession?—I think the Land Board is considering that matter. As to the homestead system, I do not understand much about it, and with respect to the ballot I do not know anything myself that could be substituted for it with advantage.

175. Have they loaded your land for roads?—I hardly understand the question of loading, but as far as I do I cannot say that I approve of it, and I think it is generally condemned. We have very good roads in our settlement, but the Government did not complete our roads, and we had to enter into a scheme for the completion of the roads by raising a special rate. The Government left the road in a very unsatisfactory state. The sections are very small, and we are deprived for going in for any more Government land. Even if we have grown up boys we cannot take up more land until they are of age and separate from the family. I think we should be allowed to acquire some more land. We are at a great disadvantage in respect to the borrowing of money. Some of the settlers at Aorangi wanted a little money to help them in the first instance for the purpose of buying stock, &c., and stock and other things at that time were at a very high price. The amount advanced by the Advances to Settlers Department hardly meets us at all, and some of the settlers I might say have been ignored in the matter and others have received very small advances. The Government have one valuation of the improvements for the tenant and another for the Government in too many cases. In the case of such land there are numbers of improvements that the valuer never sees at all. I would like to point out that the settlement is affected by the river, and we consider that we are very unfairly treated by the Government, because they do not give us some assistance in order to protect that valuable land. I would say, too, that we respectfully ask for the right of purchase. We feel that our tenure, owing to the clamour of people in the towns, is getting very insecure, and we also find that buyers do not care for purchasing the lease in perpetuity. I did not think at one time that tenure was very insecure, but I am beginning to doubt it now. I have no fault to find with the Land Board or the Ranger in the way they carry out their duties, but I think the Board might have done more to assist us in connection with the encroachment of the river. We had an understanding that they were to do something. Mr. Marchant, who was then Commissioner of Crown Lands, told me that he had tried to get the Government to set aside a certain sum of money to protect this land, but that he could not manage it, and I understand that some of the settlers, before the land was taken up, were given a promise that something would be done in this matter. Do you not think it is a great hardship that we should be paying rent and taxes on land that has been swept away. If I had the right to acquire the freehold I could raise money to protect my land.

176. *Mr. Johnston.*] When that settlement was opened the river was in a very bad state?—Yes.

177. And there was talk at the time that certain protective works would be done to help the settlers?—I have heard it stated that a River Board was likely to be set up, but it has never come about.

178. A large area of land has been swept away since the sections were taken up?—Yes, the river has affected some of the settlers very much.

179. Is the settlement fairly prosperous?—Yes.

180. Are the settlers satisfied with their tenure?—I cannot say that they are just now.

181. What do they want?—They believe that the right of purchase would be a very great improvement.

182. Do they want the right of purchase because it would pay better to have a freehold than a leasehold?—Yes.

183. If their tenure was secure would they be satisfied?—I do not know.

184. Can a man make a good living out of the areas generally held there?—No, it is not possible for a man with a family to make a living off 24 acres.

185. These smaller areas were cut up for workmen's homes?—Yes.

186. Is it a fact that several sections have changed hands, and that considerable premiums were paid?—Yes.

187. I suppose you could easily double what you gave for your property?—My property is in the market, and I have not so far had one inquiry.

188. *Mr. Paul.*] You said that you were debarred from taking up any additional land: is it to the advantage of the district that the areas should remain as at present?—That is a question I do not know how to answer. I suppose every one who has a small piece of land would like to keep it as long as he can, but if one settler is leaving the place and another wishes to increase the size of his holding, I should say it would be an advantage to allow him to do so.

189. Is this the position: that some settlers went there very poor men, and they have got on pretty well, and now find they can manage larger areas?—I think they could have managed larger areas from the beginning, but they were greatly hampered owing to want of money. They could not get it from the Advances to Settlers Department, and if they borrowed privately they had to pay 10 per cent.

190. You say you are now debarred from taking up any more Government land: supposing you were allowed to take up an additional area by giving the Land Board an assurance that you would part with your present section inside, say, of twelve months, that would leave the section for a smaller man, and you could take up a larger area, would that be a satisfactory alteration in the law?—In some cases it would. It would suit me very well.

191. But you do not want to get rid of this land until you get hold of some other?—No.

192. You said the lease in perpetuity is not so saleable as if the right of purchase were given?—I am certain that if our land were freehold we could sell it at a much higher price than under the lease in perpetuity.

193. Do you think for a moment that a lease-in-perpetuity section should sell at the same value as a freehold?—As far as the tenants' interests are concerned the lease in perpetuity is of less value than if they had the right of purchase.

194. Have the settlers who have sold out of this settlement come out fairly well?—I do not think they have lost money.

195. If that land were settled under freehold, would it make any difference in the production, or in the method of farming?—I do not think it would. I think the farmers are doing their very best to work the land to the best advantage.

196. They are a good class of settlers, and the only thing that would be achieved if they got the freehold would be that it would pay them very well financially?—They would gain more advantages than that. There is a certain amount of rein of terror at the present time owing to the threat of revaluation.

197. I suppose the freeholder is under the same rein of terror owing to the chance of an increase in the land-tax?—I do not know about that.

198. Is the advantage to be gained a financial one?—There are several advantages to be gained. For instance, to be free from restrictions as to cropping would be a very great advantage.

199. But you say the Land Board is considering that question?—Yes, and I think they must see that the restrictions are a hindrance to the tenant.

200. Is the main advantage a financial one?—I cannot say that.

201. Do you think the settlers would lose money by taking advantage of the option of the freehold?—No, I think they would rather gain money.

202. *Mr. McCutchan.*] Is it the case that the settlers, through what is considered the insecurity of their tenure, have had to pay for loans raised privately more than twice the rates asked by the Advances to Settlers Department?—Yes.

ERNEST JOSEPH CARTWRIGHT TUNNICLIFFE examined.

203. *The Chairman.*] What are you?—I am an Aorangi settler, and hold 50 acres. I have been there five years, and my rent is 15s. 3d. per acre. My land is under lease in perpetuity.

204. Is there anything you wish to bring specially before the Commission?—I am in favour of the lease-in-perpetuity system as against the freehold, and I believe in the nationalisation of the land. I have no fear of my lease being tampered with. The land is first-rate land. I engage in dairying. I think the Advances to Settlers Office should be a little more liberal in lending money to settlers starting operations. However, as far as I am concerned, my experience has been fairly satisfactory.

205. *Mr. Paul.*] Is there anything in the conditions of the lease which prevents a settler making the best use of his land?—I think not.

206. Are there any cropping restrictions which interfere with you?—I think they are in the best interests of the settler.

207. *Mr. McCutchan.*] Do you believe in a revaluation clause being inserted in your lease?—I would not object to it.

208. Do you think your lease is likely to increase in value?—Yes.

209. Therefore, you would have to pay an increased rent?—Yes.

210. And you would not object to paying an increased rent?—No.

JOSEPH WHITTLE examined.

211. *The Chairman.*] What are you?—I am a settler at Te Matua, Aorangi, and I have been there two years. I came from Lancashire in order to get a piece of land in this colony. I am satisfied with my land, but the area is not big enough for a man with a family. I engage in dairying. The land is of very good quality. I may say that I believe in the nationalisation of

the land. I would like to ask this: if they carry the freehold to its legitimate conclusion, where are we going to put future generations? In my opinion, nationalising the land is the only means by which the State can get what belongs to it—namely, the unearned increment. It seems a strange thing to me that this agitation for the freehold arises from the very parties who opposed the Land for Settlements Act. I think that under the lease in perpetuity the tenants have got a good thing. The State will never get its own back. I do not believe in that. If we take an honest view of things we must consider the welfare of all the people in the State. We cannot “run” the New Zealand Government for the benefit of its farmers. We have too much class legislation both here and in the Old Country. I have suffered from it in the Old Country, and I know what it is leading to. You can take Ireland as a sample of a freehold country. Where are they to-day. The same thing will obtain here in course of time if a change is not made. We are advertising the colony in England, and we are inducing men to come out here, but soon there will be no land for them. Where are you going to put the people—on the mountains. With regard to the encroachments of the river, one settler informed me that he has lost 15 acres through the encroachment of the river.

212. *Mr. Paul.*] Are the settlers fairly prosperous on this settlement?—Yes, they are doing fairly well, and have been enabled in some cases to sell out at a profit. Although I paid £320 I could sell out at a profit. I hold that the unearned increment does not belong to me. It is caused through the construction of railways, roads, bridges, &c., which all contribute to making my land more valuable, and why I should pocket the increase passes my understanding.

213. You paid £320 for this section: what proportion of that was for improvements?—Not more than £100.

214. Then you paid £200 for the goodwill?—That was a burden put on me by the tenant who preceded me, and that burden is really on the State for all time.

215. But did not the original tenant by improvements put that value on to it?—No, not to that extent.

216. Is there anything in the conditions of the lease that prevents you making the best use of the land?—No, not so far.

217. What inducement would you give to a bush settler to go on the land?—I think that a man who goes into the bush and takes up land is a fool. Why should a man go and bury himself in the bush when there are thousands of acres available in settled districts.

218. *Mr. McCutchan.*] Do you supply milk to a factory?—Yes.

219. Have you taken shares in the factory?—Yes.

220. Did the man who held the land before you have shares in the factory?—Yes.

221. Did you take them over?—Yes.

222. I suppose that factory was put there at the expense of the settlers?—Yes.

223. Has it given an increased value to the land?—Yes.

224. I suppose that would be included in the improvements you paid for?—I paid for the shares separately.

225. Do you get credit for the increased value given to the land by the settlers in putting up the factory?—I hold that the unearned increment belongs to the State.

226. Do you not think the increased value given to the land belongs to you?—Of course it does, but I am not including that in the unearned increment.

227. What has the State done for you since you went there to produce this unearned increment?—I cannot say, except what it has done for the community at large.

228. Where do you sell your butter?—In England.

229. Has the State done anything for you in that respect?—Yes, in grading the butter, and in other ways.

230. Do you not pay your proportion of that through the Customs?—I do not know that I do.

231. Where do these men's salaries come from?—Partly from taxation.

232. Do not some of the taxes come from you?—Yes, partly.

233. In what way has the State done so much as to produce this £200 unearned increment, which you say the State holds in the land?—By making public works.

234. Were not your roads there, and were they not taken into consideration in the price of the land when you took it up?—I do not know.

235. Are you quite confident that the whole of your goodwill, over and above the improvements, belong to the State?—Yes.

236. Although you have paid for it yourself?—Yes.

237. *Mr. Anstey.*] You say you believe in land-nationalisation?—Yes.

238. Do you regard the lease in perpetuity as a fair form of lease?—No, not for the State.

239. What form of lease do you consider to be fair?—I could not say.

240. Do you think a lease should contain a revaluation clause at considerable periods?—Yes.

241. Would you be in favour of putting such a clause in existing leases, or only in future leases?—That is a difficult question to answer. The State never disturbs contracts it has made. The State, as a rule, regards its contracts as sacred.

242. Do you think the State should regard this contract as sacred?—I suppose it should.

243. Do you think it should regard a contract for the sale of the freehold as sacred?—Yes.

244. You think that the contract entered into between the settlers and the State in regard to both the freehold and the leasehold are equally sacred?—Yes.

GEORGE WHEELER examined.

245. *The Chairman.*] What are you?—I am a farmer, and am Chairman of the Oroua County Council. I farm 930 acres of freehold. I was the first settler on the Manchester Block. I have been asked, first of all, by the chairman of the Feilding Branch of the Farmers' Union to present

to you this document containing ten signatures. It was signed at a public meeting of settlers near Apiti: "At a public meeting of the settlers on the Apiti Main South Road, at Roper Brothers, on the 31st May, a resolution was unanimously carried, to be forwarded to the Land Commission to sit in Feilding on the 6th June, stating that, in their opinion, leaseholders should have the right of the freehold, and that great dissatisfaction exists with regard to loading land for roads, which have not been completed after ten years' residence." There are numbers of settlers in this room who are prepared to express their views in favour of the freehold, but, as the time of the Commission is limited, they will not have time to give evidence, and, therefore, I would ask the Commission to take some notice of their numbers. Nearly all the gentlemen present are in favour of the freehold. I may say that I, like many others, came to this colony to get a piece of land. We left Ireland, England, and Scotland because those countries are not freehold countries—they are leasehold countries. As a young man, I could not get a freehold in England, and I and others left the Home-country in consequence of the inherent love which every one has for a piece of freehold land. I am now interested in the land on behalf of my sons. I wanted to get a section for one of my sons, and, although the land laws of this colony are excellent, in my opinion, unless the law provides for a choice of tenure, things will not be satisfactory. In regard to the ballot system, it is no doubt far from satisfactory to the would-be settler. I have had no personal experience in applying for land under the ballot system, because I found on making inquiries that I was debarred as I had land already, and my son was debarred because he was not twenty years of age, and it is necessary that he should be twenty-one years of age. I think it is only keeping back settlement to have hard-and-fast rules of that kind. In talking with those who have taken up land, I find that there is universal dissatisfaction with the way in which lands are loaded. The dissatisfaction takes this form: the settler complains that while the powers that be are strict in enforcing the land regulations there it not the same care in fulfilling their obligations, and it will be seen from the document presented to the Commission that these unfortunate people have had to bear the loading for ten years, and they have not yet got a road.

246. *Mr. Johnston.*] Have you had any experience of the Land for Settlements Act?—Only in the way of attempting to get a piece of land for my son.

247. You think the age-limit of twenty-one years should be reduced?—Yes.

248. Have you visited the estates in Canterbury under the Land for Settlements Act?—No, I know nothing of the South Island.

249. Do you approve of the ballot?—I hear from almost all hands that the present ballot is so unsatisfactory that some change should take place.

250. Would you be satisfied with the straight-out ballot?—No, I think the grouping is most unsatisfactory. In respect to the straight-out ballot, there is a good deal of dummyism. People are induced to apply for land, and I have heard of partners being allowed in afterwards. I am afraid the regulations are all right for the scrupulous man, but they are no use in the case of the unscrupulous man.

251. *Mr. Paul.*] In respect to applicants for the ballot: did you ever hear of a Land Board demanding a bank-book showing an applicant's financial position?—No.

252. Have you ever heard of a further case where the Land Board has thrown an application out because the bank-book showed a big deposit a few days before the application was made, and the Board had reason to believe the applicant was a dummy?—No. I may here state that a previous witness said that Ireland was a land for freeholders. It is nothing of the kind. The trouble in that unfortunate country is that the land is leased to tenants. Give those tenants the freehold as they are giving it to them now, and I have no doubt Ireland will become a contented and happy country.

253. Who owns the freehold land in Ireland?—The landlords, and the landlord in New Zealand is the State. When the State does wisely here it will part with the freehold as the landlords in Ireland are being made to part with it now.

254. Is there any analogy between the tenant in Ireland under a private landlord and the tenant in New Zealand under the State?—A very great analogy, only he is worse off here. As a rule, you can move a private individual, but a Board is so hampered by regulations that it becomes a piece of machinery.

255. And from your experience you make the definite statement that the tenants in New Zealand under the State are in a worse position than the tenants in Ireland under private landlords?—I have not been a tenant in Ireland, and I am not a tenant in New Zealand.

256. I do not want you to hedge the question. I want you to say whether it is so or not?—I have no hesitation in saying that I would sooner be a tenant under a private landlord than a tenant under the State.

257. The question is, whether you have come to the conclusion that the tenant in Ireland under a private landlord was in a superior position to the tenant in New Zealand under the State as a landlord?—Yes.

258. You say that the tenant in Ireland was in the best position?—Yes.

259. *Mr. McCutchan.*] Do you think the arrears under which the colony is settled at present are sufficient to enable people to make a reasonable living off them?—No, not in many cases. In the case of small areas, like 40 acres, so long as the men are doing outside work it is all right, but the moment that work is done it is found that the area is too small.

260. But the tenant may sell out and take up a larger area?—He is not allowed to take up a larger area while holding the smaller area. Why make a man, whose family has increased and is growing up, sell his home, and be compelled to go back further into the country in order to get a larger holding.

JOHN FERGUSON examined.

261. *The Chairman.*] What are you?—I am a storekeeper at Ohakune, where I was a Crown tenant for twelve years until recently. I had 200 acres under lease in perpetuity. I sold out after I had stumped and improved the land, but got no more than the value of my improvements.

262. Just say what you wish to bring before the Commission?—The people of Ohakune held a meeting on the 27th April, and we expected that the Commission would sit at Raetihi. We appointed delegates to appear before the Commission there, and were very much disappointed to find that our district were not to receive a visit. Had the roads not been as they were, the delegates would have waited on the Commission at Taihape on Saturday evening. I have received a wire from the delegates who were to give evidence at Taihape, asking me to represent them here to-day. I acted as secretary of the meeting, and they unanimously resolved in favour of the option of the freehold being given to Crown tenants, for the reason that they considered there was a difficulty in financing on a lease in perpetuity. Private individuals will hardly lend money at all on the lease in perpetuity, and even the Advances to Settlers Office, which I consider a good institution, will not lend the same amount of money on a lease as they will do on right-of-purchase property. The meeting was also in favour of Lands Boards being elective.

263. Were they dissatisfied with the administration of the Land Board as at present?—In some ways. They are not altogether satisfied with the Land Acts. They are mostly Crown tenants under the farm homestead settlements, and they consider it unfair that after having opened up the country that they have to continue under their original tenure, whereas in the event of any section being forfeited that section is put up to the ballot under any tenure that is desired. It gives the incoming tenant an advantage over those who have been on the block from the start, and have had all the rough work to do. Another objection is that the homestead settler is barred from buying out his neighbour in order to increase his holding, but if a section is forfeited and he is fortunate enough to secure it he is eligible to hold it. If he is entitled to do that we think he should be also entitled to buy his neighbour out. The meeting considered that residence should be compulsory, otherwise the other settlers who do reside are put at a disadvantage in the matter of schools, &c.

264. Are there any people who hold land and do not reside on it there?—Yes, there are some. Another matter referred to was the shutting up of certain sections that have been forfeited. There are sections in our district having valuable timber on them that are not open for selection. They also consider that the Advances to Settlers Department should lend on a Government lease as much as they lend on land with the right of purchase or on the freehold.

265. *Mr. Johnston.*] How many tenants do you consider you represent?—Between twenty and thirty.

266. How many Crown tenants are there in your district?—Between thirty and forty.

267. It is principally on account of financing that they wish to have the right of purchase?—That is their chief reason.

268. Is there any other?—It is much more difficult to sell a leasehold than a freehold.

269. They would get more money for it if they had the freehold?—People do not like to buy the leasehold, for the reason that they cannot finance with it.

270. I suppose you know that the Land Board is endeavouring to amalgamate the holdings under the farm homesteads?—I have not heard that they were.

271. *Mr. Paul.*] In your personal experience, have the Advances to Settlers refused to lend as much on the lease in perpetuity as they will lend on the occupation with right of purchase?—They do not pretend to lend as much on the lease in perpetuity, and I believe in a good many cases they will not lend up to half the value of the improvements.

272. *Mr. Anstey.*] Have the settlers you represent got good roads?—Yes, in the summer-time.

273. Have the settlers all got good access to their sections?—No. We have been loaded with 5s. per acre for roading purposes, and have been there for twelve years, and even now we have not got good roads.

274. Has the loading all been spent?—It is supposed to be, but I do not know whether it is or not.

275. Have the settlers rated themselves for road maintenance?—Portions of the roads have been handed over to the local body, and they have to maintain the road, although the settlers have to pay 5 per cent. on the loading for 999 years.

276. Is there sufficient rating in your local body to keep these roads retained in order?—No, I do not think so.

277. Have you raised any money under the Government Loans to Local Bodies Act?—Yes.

278. Is it sufficient?—I think it will be. We are just raising the loan now. It has not been spent.

WILLIAM MCKEAN examined.

279. *The Chairman.*] What are you?—I am a farmer holding 200 acres under lease in perpetuity, which I have held for eleven or twelve years. It is situated about twelve miles beyond Rangiwahia, on the Marton Homestead Block. I wish to make the following statement: (1.) The settlers in special settlement homestead blocks were not granted optional tenure, but were compelled to take up leases in this block (Marton 1 and 2). Some of the sections were not taken up, some abandoned, and some forfeited. Government afterwards put those sections in the market under optional tenure. Most of them were taken up with right of purchase, Government itself making the first breach of the law by varying the conditions, and granting to later comers what they deny to the pioneers who came into the block first. Why grant some optional tenure and deny it to others? If good for one party, surely good for both. (2.) We have no confidence in the lease under Government, seeing they can alter the conditions at any time, which a private landlord would be compelled by law to observe. This and the threat of revaluation is a grave menace to settlers who have made their farms out of the standing forest, and who have spent much time and money in doing so. Revaluation would mean to us repudiation and robbery. (3.) The lease in perpetuity came into existence in 1892. In 1895 the first Fair Rent Bill was introduced. It has been before Parliament four times since then. The latest pronouncement by the Minister

of Lands is that he will bring it before the House again as soon as he thinks it will pass. Now, seeing this Bill, if passed, would give power to the Government to review our rents every two years if they so wished, and that by their own nominated officials, notwithstanding the agreement made that we were to hold the land at a fixed defined rental for 999 years, I ask, what is the value of our leases? Is it any wonder we want the option of converting to freehold? Should this iniquitous measure become law it would mean ruin to many of us, who have spent many years of time and all the money we could scrape together converting what was a standing dense forest, utterly unproductive and useless at the time we took our sections, into productive farms. The option of converting to freehold would give us security, and enable us to escape this injustice. (4.) Another grievance is the loading for roads of 5s. per acre, amounting to £50 on 200 acres. This at 4 per cent. is £2 per annum. This for the currency of the lease would amount to £1,998, £10 sterling per acre, forty times the amount of the capital sum. Had this been raised as a special loan by the County Council in the ordinary way, in forty years capital and interest would be paid off and the loan extinguished; but after paying to Government £1,998 the debt still remains. (5.) The laws and Land Boards governing this block were unsuitable, and not wisely administered—(a) Compelling the destruction of milling timber; (b) hampering transfers; (c) residence clause enforced unwisely; (d) Land Board too much power, settler not enough. (6.) Valuations: Government appropriating improvements as unimproved value. (7.) Inheritance cannot will a lease without approval Minister and Board. (8.) We believe the option of freehold would not only be best for the individual, but best for the State also, and, instead of aiming at the so-called unearned increment, which is such a popular cry with a small section of the community who have neither knowledge nor experience in connection with land, Government should aim at settling a contented people on the land under a secure tenure. As the prosperity of New Zealand depends almost entirely on the direct produce of the land, anything that tends to swell the volume of our produce must add to the wealth of the colony, consequently increasing the prosperity of the community. We believe the freehold and the security it would give would promote this to a large extent, and as the State would still retain the power of taxation, resumption, and limiting the quantity, this would act beneficially to all.

HUGH FRASER examined.

280. *The Chairman.*] What are you?—I am a farmer holding 1,400 acres, 600 of which is small grazing-run, and the balance is freehold. I have held the small grazing-run for the last twelve years. It is in the Pohangina district. I have come here to represent the Pohangina branch of the Farmers' Union. I may say that they are, every single man of them, in favour of the freehold tenure; and I may also point out to you this as one reason why the Government should give them the right to change their tenure from leasehold to freehold. In the Pohangina district, or, rather, in the part that I represent, there are two special-settlement blocks, which were cut up into 200-acre sections and leased for 999 years. There are a great many of those sections that have been forfeited, some because they have not completed their improvements, and some on account of the residential clause. All of those sections have been put up to ballot on the optional system, and the consequence is that they have all been taken up for cash or lease with the right of purchase. I maintain it is not fair to the original settlers, after them going there when there were no roads and when they had to pack their things through the bush in muddy tracks, and after having rated themselves and borrowed money and made the roads, that outsiders should be allowed to come in amongst them and take up those forfeited sections on the optional tenure, while the people that went there in the first place and put up with a good deal of inconvenience are not allowed that privilege. In conclusion, I may say that the whole of the settlers in my district, to a man, are in favour of the option of obtaining the freehold.

PALMERSTON NORTH, TUESDAY, 6TH JUNE, 1905.

GEORGE AUGUSTUS PREECE examined.

1. *The Chairman.*] What are you?—I am a land-agent, residing in Palmerston North.

2. Is there any particular subject which you wish to touch upon?—I wish to give evidence particularly on the lease in perpetuity. I have been in business in Palmerston North for about twelve years, and I find that a large number of people holding lease in perpetuity come to me from time to time, and the general consensus of opinion among them is that they wish to have the right of purchase—that is, that the holders of the lease in perpetuity and holders of small grazing-runs should have the same option of turning their leases in perpetuity and small grazing-runs into the right of purchase that the occupants with the right of purchase have now of converting their tenure into the lease in perpetuity. I may say that the holders of the lease in perpetuity have the greatest possible trouble in raising loans for the purpose of bushfelling and other improvements, and the only way they have of obtaining loans is under the Advances to Settlers Act, and under those conditions they can only get a very small advance, whereas by obtaining mortgages from private people they can often improve their sections quicker than they could by obtaining an advance under the Advances to Settlers Act, and to wait till they get further improvements made. The number of applications now under the Land Act for occupation with right of purchase far exceeds that of the lease in perpetuity, where the applicants have the option of the tenure. Of course, there are some lands, such as those under the Land for Settlements Act, that they have no option in, but if the land is put up under the optional tenure the applicants for the occupation with right of purchase will in all cases far exceed those for the lease in perpetuity. The general feeling among them is not to do away with the lease in perpetuity in any way, as that is the first step to getting on to the land, but they wish to have the right of converting that tenure into

occupation with right of purchase and pay the difference between the 4 and 5 per cent. from the time the lease was originally taken up. I think that all landholders would be perfectly satisfied if that alteration was made in the law. With regard to the Land Boards, I think the leaseholders should have the right to have one member as their representative on that Board. That member could be elected by the landholders in the several land districts. Otherwise I do not think there is any feeling against the present system of Land Boards. I think that the homestead system should be reinstated. It might not be taken advantage of to any large extent, but I think it would be an advantage in some districts if it were reinstated. There is also great feeling as to the practice of loading land for roads and not expending the amount. In some cases the land has been loaded for roads and the roads have not been opened up for some years afterwards. I think that when land is loaded for roads the roads should be opened up at once in order to give the settlers access to their land. With regard to the working of the advances-to-settlers system, I think that sometimes settlers are at a disadvantage because the very lowest value is given to their improvements, and they can only get a very small advance. I think that the amount advanced should be increased. They can only get an advance to the half of the value of their improvements, which are often cut down to a very low sum. In giving to the holders of the lease in perpetuity the right of purchase I do not think there is any wish that there should be any aggregation of large estates. There should be the same precautions taken as now to prevent that, but the settlers should be allowed the right to purchase their sections.

3. Your views are very strong in favour of giving the freehold ultimately to every settler?—Yes.

4. Do you apply that to the settlers under the Land for Settlements Act?—I am not so strong on that point as in the case of settlers on Crown lands, who, I think, certainly should have the right of purchase.

5. You say the settlers suffer when they go to borrow because they cannot get the money so readily as if they had the right of purchase?—Yes.

6. You have experience of that?—Yes. A man wishes to obtain money for improvements, and he cannot get money to improve in the same way as if he had the right of purchase.

7. Is it also in your experience that the settler sometimes refuses the small advance that is offered him by the Advances to Settlers Department?—Yes.

8. What does he do then?—Obtains a temporary loan and pays a big interest for it.

9. What do they pay?—That depends altogether. You cannot get a loan on security like that without paying from 8 per cent. upwards.

10. *Mr. Johnston.*] Is that the only drawback to the lease in perpetuity—the inability to obtain money?—That is one thing, and the inherent wish of the settler to obtain the freehold.

11. Does that exist everywhere?—I think so.

12. You say they pay 8 and 9 per cent.?—Yes.

13. Are you sure of that?—They will not get money under 8 per cent.

14. Would you be surprised to hear that in Canterbury the money-lenders are running after the holders of lease in perpetuity with money at 5 per cent.?—I should be surprised.

15. What other difficulties do the settlers suffer under under the lease in perpetuity?—There are many reasons. A man might wish to sell out through some circumstances, and he cannot so readily sell.

16. Have you ever known the Land Board refuse a transfer?—They refuse them sometimes. I do not say that the Land Board throws any obstacles in the way if the transfer can be granted.

17. The main reason is that a man cannot get the same for his land under leasehold as if it was freehold: is not that the case?—He can get more for it if freehold, and he can get better interest. He may have to go Home or leave the country, and he cannot so readily sell his interest.

18. Supposing it paid him better to have the leasehold, as is the case in Canterbury, I suppose he would be perfectly satisfied with his tenure?—I do not find that they are satisfied with their tenure.

19. *Mr. Paul.*] Will the tenant lose anything by gratifying his desire for the freehold?—Undoubtedly he would not lose.

20. Will it pay him to gratify that desire?—Yes.

21. Are there any endowments in this neighbourhood—education or borough?—Yes; but I do not think there is any wish to have the freehold given to the tenants on education, borough, or university endowments.

22. The tenants on them have no wish to get the freehold?—No, because there are no conditions of occupation with them.

23. What are the terms of those leases?—Generally with the right of renewal after twenty-one years, with compensation for improvements. In the education leases there is compensation under the Act of 1885 for full improvements, which means bushfelling and everything else. Under the Act of 1892 the improvements for which compensation is given only include planting, building, and fencing.

24. Is it agricultural land?—Some is agricultural and some is pastoral land.

25. You think that the tenants under those leases are perfectly satisfied?—Yes.

26. Are the financial institutions anxious to lend money under those tenures?—Yes, because there is compensation for improvements.

27. Better than the lease in perpetuity?—Yes.

28. *Mr. McCutchan.*] You complain of the dilatoriness in spending loading: has that occurred in many instances in this district?—It has in some.

29. Can you mention the blocks?—Tirirakau, at Hunterville, was one.

30. Did complaints come to you from the settlers?—Yes.

31. Was the complaint that the loading was inadequate or delayed?—It was delayed in expenditure.

33. Do you approve of the principle of loading for roads?—Yes, if the money is expended: but I think that the roads should be opened up as early as possible to give the settlers facilities for getting on to the land.

34. Do you think the loading should be sufficient to make the roads?—Yes.

35. You would advocate the settler being burdened with the whole cost of making the road?—Yes, if it is put on to the land. If the money is expended I do not think the settler would object.

36. In view of the fact that we are borrowing largely for public works, do you think it is fair to burden the settler with the whole cost of making the roads?—If the Government are borrowing for public works otherwise, perhaps it would not.

37. In the case of loans from the Advances to Settlers Department, do you think there should be discrimination between a man who borrows to buy cattle or the man who borrows to pay off a mortgage and the man who applies for a loan in order to make improvements?—Yes.

38. To what extent should they discriminate between the two?—I would give a bigger amount on the improvements of the man who wants to make improvements, and hold portion of it back until the improvements are made.

39. The State is now advancing up to 50 per cent. on improvements and 50 per cent. of the goodwill. To what extent would you increase that?—If they are advancing up to 50 per cent. on both that seems to be a fair sum.

40. Would you reduce the amount in all cases where the money is not required for further improvements?—I could hardly say to what extent, but I think a man should get a larger proportionate amount when he is putting the money back on the land.

41. Do you not think it would be safe for the State to make a greater advance than 50 per cent. on both where the money is spent on improvements?—I do.

42. To what extent?—I could scarcely say. You could advance 75 per cent.

43. You said there was a difficulty with the lease in perpetuity when a man wanted to sell. Is it a difficulty in obtaining a transfer or of getting a purchaser?—It is a title that will not sell as readily as the occupation with right of purchase.

44. Do you think that the Land Board should exercise any control over the consideration that passes between the leaseholder and the purchaser?—I do not think they should. The State is not affected. The holder has the goodwill, and it is worth a certain amount, and I do not think that the State should interfere with that so long as the improvements have been made and the whole of the conditions complied with. I do not think that the State should exercise any control over the consideration.

45. Are you satisfied with the constitution of the Land Boards?—Yes; but I think that the leaseholders of each land district should have a representative on the Board for their district.

46. Upon what franchise would you have the member elected?—I have not thought that out.

ALFRED RICHARDS examined.

47. *The Chairman.*] What are you?—I am a holder of a lease in perpetuity on the upper blocks of Pohangina. I hold 658 acres. It was originally a small grazing-run, but four years ago I converted it into a lease in perpetuity. When my lease was converted it was 10s. an acre, and we were paying rent at 5 per cent. I received the permission of the Board to convert, and afterwards I had notice that the land was to be valued at £2 an acre. Being a little surprised, and knowing the land was valued at 10s. before we went into the back country, we had no option but to surrender the lease or carry it on. We carried it on.

48. Were not you aware of that before you committed yourselves?—We had no idea until we received information that the valuer would be there at a certain date to revalue it—that is, the area being part of the small-grazing-run lease, which, during the last few years has been greatly cut up by floods in the river. A lot of this section is between two streams, the Pohangina and the Makaki, better known as Coal Creek. I estimate fully 60 to 80 acres has been carried away by the river, therefore, under the circumstances, I have been hardly dealt with.

49. Did you make known your loss to the Land Board?—The Ranger was aware of the loss by the river.

50. Have you any views on the question of the Land Boards?—I maintain they should be elected on the same principle as Education Boards or Hospital Boards. We have not got sufficient representation on them, and I would like to see them meet periodically in different parts of the district. It is very hard for a small settler to go down to Wellington; some of them cannot afford it. There is many a complaint they have that they would like to ventilate.

51. Do you never see the Ranger here?—I have often accommodated him with a night's lodging in the early days. I do not believe in the ballot system of getting land. I prefer auction or tender. I could give you instances where, under the ballot system, good men have had to leave the colony on account of being unable to get land under that system. One person waited for the Tamaki Block, but had no luck and went away disheartened, but under the auction or tender systems he would have had a fair show of getting a section.

52. Are you aware that both these systems have been tried for some years in the colony?—Yes, but I think, from my experience of the tenants and landholders of the colony, they would prefer to have them back again. With reference to the question of the value of leaseholds now and at the time they were taken up, I maintain that the tenants should have the benefit of any increased value on that land, or lease, in conjunction with the Crown. I have not much to say with regard to the Advances to Settlers Department, but my experience is that it is a very difficult thing sometimes to obtain what you want from the Department. I know of one case in this district where a section was held in Pohangina before we got the advance required. In another case we had to get it privately. In regard to the question of the conditions and positions of various tenures, I maintain the freeholder is far better off than the leaseholder. I can give you an instance at

Pohangina, where different associations have taken up land on the deferred payment, and others on the lease in perpetuity, and where the farmers are practically well-to-do—able to buy their stock, and pay for it—whereas some holders of leases in perpetuity have to obtain advances from auctioneers. They are unable to buy their stock, excepting on the auctioneers' accommodation, and cannot get advances over and above those they have already on it. In connection with the aggregation of large estates, I do not know of one large estate in this district, or in the Pohangina, where the country as a whole has not benefited by it. It does not pay the owners to hold these large estates. They are splitting them up every day. Take, for instance, Judge Prendergast's property in the vicinity of this town. It is now held by some fifty settlers, whereas before one shepherd looked after it. In our own district we have very few sections over 1,000 acres.

53. *Mr. Johnston.*] Are you nominated by a party or association to give evidence, or are you giving it on your own behalf solely?—I came here voluntarily without fear or favour to say what I think.

54. You do not represent a number of settlers?—No.

55. Have you had any experience of the land-for-settlements tenure?—No, the only experience I have is under this small-grazing-run lease and the lease in perpetuity.

56. Would the Pohangina have been settled if it had been exclusively offered as a freehold in the first instance?—All the lower part of the Pohangina was offered as a freehold and taken up very quickly.

57. But, would part of the country have been settled at the present time if it had been offered as a freehold?—I am not quite sure. I know a good many settlers who went there would have been able to take up the freehold in the first instance; some would not. I think people who were not able to take it have sold their interests and gone, not being able to hold it.

58. Do you think the leasehold system has been advantageous to the settlement of the country?—It has been advantageous to those who had no capital to start with.

59. Then the leasehold system has assisted people with small capital to get on the land?—In some cases.

60. Could your friend who ran away from the country have taken up a piece of freehold land?—The section he wanted was a small area, perhaps from 100 to 200 acres of cheap land, which he had sufficient capital to work.

61. Could he not have bought that freehold?—He did not seem to be able to do so.

62. He thought it more advantageous to go to the ballot than to get it on the freehold?—That is where the bulk of them do go.

63. They prefer the ballot although they would like the freehold?—They have no option.

64. Who was your friend who told you this?—The gentleman I have mentioned is Mr. McLenzie. He has a wife and family, and it did not suit him to go away to the back blocks and hew out a home there. He preferred to come nearer town and take up one of these sections which had been split up.

65. Have you known the Land Board ever to refuse anything in reason in connection with their administration?—I could not exactly mention a case now, but I know of several cases in our district where an application has been held over, and so forth. I do not say there has been anything unreasonable.

66. Can you give an instance of absolute hardship that the Board have refused to redress?—Not in our district.

67. *Mr. Paul.*] When you were considering this small grazing-run which you took up on lease in perpetuity, did you not know that it would be revalued?—Not until afterwards.

68. Did you expect to get a 999-years lease instead of a twenty-one-years lease at the same valuation?—Our lease was almost expired, and, going by reports from Land Board meetings in other parts of the colony where the leases had run out, I noticed that they were offering but small compensation, from £2 to £2 10s. for improvements, and I did not feel justified in accepting the same.

69. That is not the point: did you expect to get a 999-years lease in preference to twenty-one years, with a rent based on the same capital value?—Certainly. We fully expected to receive a 999-years lease at 4 per cent. on the 10s. an acre.

70. Which do you think would have paid the State best, the twenty-one-years tenure or the 999-years tenure?—In the case of the small-grazing-run lease, we had the option of renewal at the increased valuation. We could not say what the Land Board would have increased the rental to.

71. In your experience the deferred-payment settlers are much better off than the lease-in-perpetuity settlers?—Certainly; I do not know of one in my district where they have made it a freehold.

72. How do the dates compare?—In the Pohangina district some sections were taken up before and some after I took mine up—that is, the deferred-payment sections.

73. In your evidence you made a statement that the deferred-payment settlers were prosperous and made their freeholds, and it was a much greater success than the leases in perpetuity: I ask you, how do the dates agree? Which was the longest settlement?—The deferred-payment sections were the longest settled, barring one block in that district. There was one block taken up under deferred payment, and then there was some land which came under the lease in perpetuity. On the opposite block, on the opposite side of the river, there was some land taken up on deferred payment. I am alluding to the Harbour Board block in the Awaho, on the lower portions of the river. There are some portions on the upper parts of the Pohangina.

74. Are the two settlements a fair comparison?—Fair. The lower portions have an advantage over the open country.

75. That is the deferred payment?—Yes.

76. *Mr. McCutchan.*] How long ago is it since you took up this grazing-run?—About eighteen years and a half to run.

77. You have it under the Act of 1885, and do I understand you to say you are paying 5 per cent. capital?—6d. an acre. We were paying 5 per cent.

78. What do you reckon your improvements were worth per acre?—The lower part was worth £4 per acre.

79. Would it average £4 an acre all over?—No, a lot of the felled bush would not quite fetch that.

80. Would it amount to £3 10s.?—That was a fair average right through.

81. What was the selling-value of the property, in your opinion?—Between £4 10s. and £5 an acre on the average.

82. That would be the selling-value of your interest?—If it had been freehold we would not have received that for it.

83. Is it not the case that these small grazing-runs contribute much less to local rates than the sections under the other tenures round about?—Yes, we are paying more rates on it now.

84. Was it due to your exertions that the freehold value was raised from 10s. to £2?—Yes. I maintain that if we had not gone out there in the early days it would still have been worth 10s. It is through our labour and exertions that the capital value was made.

85. Do you consider that there has been generally an increase in the value of land in that district?—The increase is only during the last two or three years. It was almost unsaleable there three years ago.

86. If you consider the £2 an acre placed on the land by the Government when you converted it into lease in perpetuity excessive, why did you not surrender the lease, knowing you had the right of renewal?—The only part we had was surrendered and lost after competing for it at public auction. We had a right of renewal.

87. Why did you not take that right of renewal instead of forfeiting it?—I did not accept it, because we did not know what we should have to pay per acre for it. We thought £2 quite safe in taking it on a lease in perpetuity on a 4-per-cent. basis on the same valuation.

88. You consider the Crown tenants are inadequately represented on the Land Board: would you approve of the number of members being increased?—In this district, taking the Upper Pohangina right through as the crow flies right on to Mangaweka, all that country is held by Crown tenants, and lately taken up sections. We want more representation.

89. You think the four members of the Land Board nominated by the Government, together with the Commissioner, do not give adequate representation?—We would have better representation if we had another member.

90. Would you advocate the land district being divided into ridings, and the Government having the power of nomination within each riding?—No. I would advocate the different local bodies and County Councils having the power to nominate members.

91. On the County Council franchise?—Yes. I think we would get a better representation.

92. Would the other people be properly represented?—I believe in the different wards—every man would be in his own ward, and have his own personal representative.

93. How about the people in the cities and towns, who are responsible for the interest on the loan money invested by the Government in these lands before they were settled by the Government?—I have to look after our own little place.

94. You would require to act fairly. Do you not think that those people should have representation?—I suppose so; they have an interest in these different properties. I would make the Board a nominated one by the local bodies—Town Boards, City Councils, and other local bodies.

95. Do you not think you might be swamped in the country by the town votes, and get less representation than you have now?—There would be no harm in giving the system a trial.

96. You said you had great difficulty in getting advances from the Advances to Settlers Department, and had to get the money privately: when you did get it privately, did you get it on equally advantageous terms?—I think the money was got at 4 per cent. from the private source.

97. Did the legal expenses compare favourably?—I do not think there was any extra charge.

98. Was there any procuration fee?—I could not tell you.

99. Do you mean to say that the money was got at 4 per cent. on the security of the lease in perpetuity?—This was a freehold. We had an advance from the Advances to Settlers Office on a small grazing-run.

100. *Mr. Anstey.*] Do you think that the Land Board should be elected on the same franchise as the County Councils, or would the County Councils elect them?—I would like the County Councils and Road Boards to elect the members of the Land Board.

101. Would you give each Council one vote for each member?—Mostly one vote.

102. How would you group the County Councils and local bodies for voting purposes?—You would have to form them into different districts, and when the nominations were received each Council or Road Board would have to be prepared to vote for the member the people wanted.

103. For the full number of members?—For one member.

104. Then you would have to group the local bodies?—In districts.

105. Would you put the County Councils together, and Town Boards and City Council together?—I would keep it in large districts, the same as the parliamentary electorates.

106. Divide the land districts into four?—Yes, the local bodies to have the right to return one.

107. Are you in favour of giving the right of purchase to the lease-in-perpetuity tenants?—Yes.

108. And under the Land for Settlements Act as well as to Crown tenants?—My experience rests entirely with Crown lands. I have no experience of the Land for Settlements Act.

109. With regard to the present rent of this land which you hold, is it too high, or more than it is worth?—Putting it this way, the Crown is deriving all the benefit from my labours on this land.

110. Did you think that there was a revaluation clause at the end of your existing lease?—Yes, with a compensation for improvements.

111. Supposing you continued under the old lease, the Crown would have been in the same position as they are in now?—We would certainly have had the option of working it; but then, again, if we were not satisfied with the improvements they allowed us, the lease would have been put up to public auction, and the outsider would have had the opportunity of competing for the same section.

112. Is the rent now being paid too dear? Supposing you had allowed it to go to public competition, if you say it is too dear, you would have had a chance of getting it at a lower amount?—We might have had a chance of getting it cheaper, or of having to pay more for it.

113. Who values your improvements?—I think it is Mr. Gardner.

114. Is that the representative of the Board?—It would be the Government Land Valuer.

115. Have you no say in the valuation of these improvements?—We have no say.

116. Have you not the right to challenge the valuation of improvements?—No; the only right is that if we are not satisfied with it we have to say so.

117. Cannot you appoint a valuer in conjunction with the Government valuer if you are not satisfied with the valuation?—Under the older Act—I do not know which it was—I think we have the power to appoint an arbitrator.

118. Was not there any power under your tenure?—Not that I know of.

119. *Mr. McCutchan.*] I understand you to advocate the deferred payment as against the occupation with right of purchase?—The lease in perpetuity.

120. You do not draw a contrast between the occupation with right of purchase and the lease in perpetuity?—In the case of the deferred-payment sections at Pohangina the farmers are practically independent.

121. Do you think the first one is preferable over the other?—Of course, they have the right of purchase. I do not know of any leasehold there. They are mostly all deferred payment.

122. I am not speaking of that, but asking your opinion between the two tenures—the deferred payment and the occupation with right of purchase. Which do you think is preferable?—The deferred payment.

123. For what reason?—I have had no experience of the occupation with right of purchase.

124. You remarked that there was no aggregation of estates going on, because the big owners cut them up themselves?—Yes.

125. To what do you attribute that?—The value of land in the district rising, so they find it would benefit themselves to do so.

126. Is it not on account of the graduated land-tax?—I could not say.

JOHN STEVENS examined.

127. *The Chairman.*] You are a very old settler, Mr. Stevens?—Yes. I have been on this coast for fifty years.

128. Do you hold any land now?—I do. I hold land privately, and, together with my partners, I hold a considerable area of country.

129. On what tenure?—The freehold.

130. You were a member of Parliament?—Yes, for twelve years. I am also a member of the Land Board, and have been for many years.

131. Which tenure do you think is the best for the settlement of the country, and, generally, for producing the best results?—That entirely depends upon the circumstances under which the intending occupant of the land is placed. It is, in my opinion, highly necessary that there should be at least two very distinct phases of the question dealt with. I will take, in the first place, the residue of our Crown lands, commonly called waste lands. In that connection, speaking from long experience as a land and estate agent, I am of opinion that there is too much sentiment talked about the question by persons who are intending settlers, and those who would formulate the regulations for the settlement of the land. The residue of the land, in my opinion, is now such that it can only be dealt with in considerably large areas, and is principally unsuitable for close settlement. The laws and regulations which had to be applied to close settlement of Crown lands twenty years ago cannot apply practically to-day. In my opinion, it is highly desirable that all the lands which pass out of the hands of the Crown into the hands of private individuals shall be properly cultivated—that is to say, improved so that they may produce something to the State, and what I mean by cultivation is, that where there is bush that it shall be felled and the land shall be properly grassed, fenced, and subdivided. In the early settlement of this coast it was quite a simple matter to cut up a block of land and give to each settler 100, 200, 300, or 400 acres, and he could prosper upon it, whereas to-day, taking the upper reaches of the Wanganui River, and taking the faces of various mountains alone through the middle of the North Island, and also taking the country with which I am very well acquainted in the South Island, it is impossible now that these lands can be dealt with as the good lands have been dealt with, and were dealt with in the early days. Quite recently there has been a very large sum of money invested by capitalists in Government securities, which I think is a very good thing for the colony, but it would be a very much better thing if our land laws were such as would enable these capitalists to invest their money in land and improve it. One great drawback I have found in my experience as a member of the Land Board, and also in conversation with a great number of persons who would otherwise take up land, is that compulsory residence was a difficulty. I hold, sir, that if, for example, 1,000 acres of land were taken up by a person who had sufficient capital to deal with it and fully improve it, assuming that the 1,000 acres was worth £2 an acre prairie value, that would be £2,000, and with a proper provision of all the farmsteading necessary, and proper subdivision, it would cost £4 an acre to grass it; but the law at present requires that the person willing to spend £4,000 upon 1,000 acres of rough land shall go there and live. That I consider is a mistake, and it is retarding settlement: retarding

settlement in this respect: that the owner of the property may have a son, or two sons, who are not of the age perhaps to be intrusted with the whole management of such a property, and the capitalist would employ a manager. In that case I cannot see the difference. Supposing the capitalist's name was Brown and the manager's name was Green, the manager would have to remain there, and, therefore, the land would be occupied; and it is, to my mind, a theory which does not work out in practice to compel the owner of a piece of land to reside on it. It cannot work out in practice under such circumstances. And that the land will be occupied is certain, for the reason that, assuming that it were leasehold land, with a capital value of £2 per acre, the capitalist would improve it, he would have double the amount of interest that the Crown would have in it, and would therefore be compelled, perforce, to occupy the land, because it would have to be stocked, and where there is stock there must be some one to attend to the stock. My idea with regard to the future settlement of these waste lands is, that the Crown should throw them open in such areas as will enable the person to make a living, and a good living, because I hold that the people should not be put on the land to remain there in the same indigent position they were in before they went upon it. They should be put upon the land for the purpose of making some progress, and getting a step further on for themselves and their families. Therefore, no harm, in my opinion, can come if we had two differential systems under which land could be taken up; for preference, I should say deferred payment. The lease-in-perpetuity people may not care for any different kind of tenure. With regard to the settlement of these waste lands, that, I think, is very important, inasmuch as our sheep have depreciated in numbers very considerably during the last few years, that being largely due to the acquisition of estates which used to run sheep, and now run cattle for dairying purposes, and in order to keep up our sheep then, so we should put our settlers on those lands which are only practically fit for running sheep, and we should by all means, in my opinion, have such legislation and regulations as would induce the professional men in the towns, the merchants in the towns, and the Civil servant to invest their money and develop the country by placing their sons and daughters upon these waste lands, and so make them return two blades of grass where they return nothing to-day. Therefore, I am and always have been strongly in favour of giving a freehold. In 1882 the late Mr. Rolleston introduced a Bill called the Perpetual-lease Bill, with revaluation at the end of each period. I was a member of the Waste Lands Committee before which that Bill was considered, and I moved for the introduction of a purchasing clause, and I had very few sympathizers then, but to-day I know some gentlemen who were on the Committee, and they are the strongest advocates of the freehold to-day. Therefore, I wish it to be understood that I am very strongly in favour of giving only such title in regard to the remnant of the waste lands of the Crown as will induce capital to improve them, consistently always with seeing that the area is reasonably restricted. Coming to the question of Land Boards, I have read the evidence given before the Commission, and I find that there are a number of people in favour of the election of Land Boards. I have been a member of the Land Board for many years, and there are two great objections to elective Land Boards. The first is that the elective system would introduce political strife into a body which has fairly administered the legislation, and that, I think, would be one objection. The other objection would be the enormous cost. I presume if Land Boards were elected they would have to be elected on a parliamentary franchise. For that franchise the non-landowners would clamour very strongly. The landowners would say "Restrict it to we landowners only." That is a debatable question, but there would be these two questions to consider. There have been a great number of statements made derogatory both to the Land Boards and also to the Commissioners who preside over them. So far as the members of the Land Boards are concerned, I do not object at all to any aspersions which may be cast upon me as a member of a Land Board, but I do think it manifestly unfair and unjust that a gentleman in the position of a Commissioner of Lands, whose hands are practically tied by reason of his office, should be abused, as many of the Commissioners are abused, for doing what is their duty to the settlers and the Crown. I have very often felt inclined to express my opinions through the public Press with regard to the very unfair and unjust statements which are frequently made against the Commissioners. The Commissioner of Crown Lands has a difficult duty. He has first to see that the administration of his office is carried out properly and correctly. He, secondly, has to see that no injustice is shown to the settler, and, as a member of the Board, I must say that, notwithstanding all these aspersions which have been cast on them, the Commissioners have gone out of their way to endeavour by all possible means to do that which is fair and just to the settler. Coming again to that class of the community which are not in the position to avail themselves of the Crown lands of which I have spoken—that is, the artisan class, the workmen who are living in cities and who are employees of firms, who have very little money indeed, but have strong right arms, plenty of knowledge, and many of them willing workers. If we ever break down the system which has been instituted under the Land for Settlements Act, of acquiring estates and forming close settlement, then I fear that our settlement of the colony would not progress as rapidly as we wish it to. The settlement, in my opinion, has been very slow indeed, and should be carried on at a much greater rate than it has done hitherto. For example, an intending settler under the Land for Settlements Act, with £200 in his pocket, would be able to take up 100 acres of land valued at £15 per acre, say. That £200 would be necessary for the purpose of enabling him to acquire his stock, erect a small house, make some subdivisions, and fence, if they did not already exist. But if that land were offered to him as a freehold he would be required under ordinary circumstances to possess not £200 but £700, because he would have to put down one-third of the value of the land, and borrow the remaining two-thirds. That is about the proportion, therefore no settlement can take place excepting by persons who are small capitalists. My idea is that our present legislation, and future legislation, are bound in the direction not of giving that which belongs to some other person or to the Crown, but of giving every individual, whether he be rich or poor, an opportunity of getting a home, if he desires it. Every facility should be given him to do so, and it matters not so long as the settler is upon the land what his title may be. The title to his land will not enable him to produce any-

thing. Some of the settlers who have been placed on the land have changed their character. They have gone there under the lease in perpetuity and have become prosperous under that system, and, after doing so, they have said "We must have the Crown grant," and having the Crown grant some of them speak so strongly about the Administration which has given them the opportunity that if the Crown grant were offered to them they would ask whether the parchment on which the grant was written had been made from a sheep which was grazed on leasehold. They say they do not think their title would be secure; that is the feeling some of them have in that connection. I do not object to any kind of tenure which will make people happy, but I do say that it is the duty of the Crown, in my opinion, to be quite sure that we do not retard our land settlement. Therefore, we must continue, in my opinion, under the land for settlements to have the lease in perpetuity or any system which will enable a deserving person with his family to get the land with the least possible cash. If we were to restrict it to persons who have money only, then it will mean the aggregation of our numbers of unemployed, and cause the indigent person to develop in the cities of the colony.

132. With reference to townspeople taking up land, that is a very good idea, but may it not open the door to dummyism?—I have considered the question of dummyism, and I think we ought now to consider it as "mummyism," because it is as dead as an Egyptian mummy.

133. *Mr. Johnston.*] Have you been north of Auckland?—Yes.

134. Do you know the country?—Not very well.

135. Do you know that there are large areas of land there—unimproved land held by absentee landlords?—Yes.

136. How do you account for that?—Because of the system under which they were allowed to take it up. I consider that any person who takes up land before getting his title should be compelled to improve the land—to fence it and grass it.

137. Are you aware that some of these large areas of land that are now covered with manuka scrub 7 ft. or 8 ft. high produced 60 bushels of wheat to the acre at one time?—Yes.

138. Do you not think that non-residence, except in isolated cases, would tend to have the same effect down here?—I do not advocate non-residence. I should insist that some one shall reside on the land.

139. Would you advocate the putting of poor men on land under the Land for Settlements Act?—Yes.

140. *Mr. Paul.*] Do you consider the lease in perpetuity superior to the old perpetual lease?—Yes.

141. Do you think there is any ground for the fear that has been expressed with reference to the insecurity of the lease in perpetuity?—I do not think so, for this reason, that it would be absolutely unconstitutional. It would be unconstitutional by retroactive legislation to interfere with the vested rights of citizens.

152. You think there is absolutely no possibility of the New Zealand Parliament repudiating the bargain entered into between the State and the tenants?—These statements have been made for a purpose that I am not going to say anything of here. These statements have tended largely to disturb the mind of a number of tenants holding land under the Land for Settlements Act, but, in my opinion, there is no ground whatever for the doubt that has been raised in their minds.

143. Were you in Parliament when the Fair Rent Bill was brought in?—Yes, there were several Fair Rent Bills introduced by private members.

144. Did any Minister of Lands introduce a Fair Rent Bill while you were in Parliament?—I cannot say definitely, but I am under the impression that Sir John McKenzie did, or if not, there was some talk of it.

145. Would that Bill have had retroactive action?—No; I think it was only to deal with future leases. I am not certain, but that is my recollection.

146. If it was the intention of the Government to introduce a Fair Rent Bill, where would be the necessity for such a Bill if they introduced a revaluation clause into the leases?—A revaluation clause would be practically a Fair Rent Act.

147. Are you aware that at a conference of delegates, representing twenty-seven thousand members of trades and labour unions, which met in Wellington in April, revaluation was agitated on the transfer of a section or on the death of a lessee?—Yes.

148. Do you think that agitation has in any way tended to produce the feeling of uncertainty in the minds of Crown tenants?—Very largely, I should say.

149. How do you reconcile that with your statement that it is purely a political move?—Because the agitation of the Trades and Labour Council is political.

150. It was to that political influence you were referring?—That is one side of politics. Then, we have the strong advocates of the freehold on the other side, and their representation in regard to land-tenure is directly political.

151. Were you in the House when there was an alteration in the land law under which vested interests were very seriously imperilled in connection with the rating-powers within the New Plymouth Harbour rating area?—Yes.

152. Would you consider that retroactive legislation?—There was a reason in that case that was unique in itself, inasmuch as this was not property held by an individual or by any body of individuals, but it was held by a public body, and the finances of the remainder of the colony were being jeopardised because of excessive borrowing on the part of the Harbour Board, and therefore the colony did that for its own protection. I do not consider that was on all-fours with a case affecting an individual.

153. A great number of Crown tenants throughout the colony think that the rebate of rent vitiates the contract if it comes to a question of title?—My opinion is that the granting of $\frac{1}{2}$ per cent. rebate does not vitiate the contract. The Crown is not compelled to take from the lessee its full pound of flesh. A reduction in the rent cannot vitiate a contract, but an increase in the rent might vitiate a contract.

154. You are of opinion that a lease cannot be interfered with without compensation?—Clearly. I think that even if such a law were passed it would be found to be unconstitutional.

155. You advocate the reintroduction of the deferred-payment system?—Yes, any system which will enable a man with a little money to get upon the land.

156. Will you point out in what respect it is preferable to the occupation-with-right-of-purchase system?—I cannot see that there is very much difference.

157. Would you advocate a change in the law under which the capital value could be taken from the tenant by instalments after the tenth year?—Yes; I do not think there could be any objection to that.

158. *Mr. Anstey.*] You referred just now to the doubt which exists as to the security of the lease-in-perpetuity tenure?—Yes.

159. You said that doubt was largely raised for political purposes, and you also spoke of the labour unions suggesting revaluation: do you think that the agitation that is being got up by a certain organization for the granting of the freehold is one of the factors that raises a doubt in regard to the security of the tenure?—I know there are organizations advocating the granting of the freehold. I do not object to their doing so, but I do object to their making representations to Crown tenants which have no foundation in fact, because they make a great number of Crown tenants very unhappy, and they give those tenants a feeling of insecurity that ought not to exist.

160. Do you think the title in its present form should be maintained in its entirety?—With regard to land-for-settlements land, I think so, for this reason: that the State is not dealing only with the present occupiers of the land, but also with future generations.

161. You think it is perfectly right to give a tenant a better title when he asks for it?—I do not see what objection there can be to that.

162. You are a member of the Wellington Land Board, and you are engaged in opening up more land in this neighbourhood?—Yes.

163. In what sized areas are you opening up that land?—The areas vary, say, from 100 acres up to 1,500 acres in the case of the opening up of large blocks, according to the configuration of the land.

164. And in the case of the land you are opening up you are of opinion that none of it is suitable for letting in small areas?—Very little of it. I think it would be unwise to put settlers on small pieces of land unless the land has good access, and is also fairly fertile.

165. Do you think that many of the existing holdings are too small?—No. In some cases the holders ask for the right of amalgamation.

166. Do you think there are many sections in regard to which it would be wise to allow two or three to be put together?—Yes, a great number.

167. That is in the case of small areas of under 100 acres?—Yes. I know lots of instances of 200- and 300-acre blocks, when the land was originally taken up, say, ten or twelve years ago, or more, the family consisted of a man, his wife, and two or three small children; but since then the family has increased, and the children have grown up, and a larger area of land is required to maintain the family.

168. Cannot the grown-up members of the family take up sections for themselves?—Not always. I do not know why these persons should be prevented from acquiring, within reason, as much land as would enable them to better their position slightly.

JOB VILE examined.

169. *The Chairman.*] What are you?—I am a settler and a member of the House of Representatives, and hold about 250 acres at Ohakea. My land is held under lease in perpetuity, and I have been there for six years. I have a written statement here expressing my views, which I shall read to the Commission. The constitution of Land Boards should be somewhat as follows: To consist of five members, as at present, the Commissioner of Crown Lands *ex officio*. Two members to be nominated by the Crown; to be nominated for their special qualification as experts in lands administration, and for no other reason. Two members to be elected by Crown tenants, and by ballot, the qualifications for a member to be the same as that necessary for the House of Representatives. The form of election to be by the distribution of ballot-papers with candidates' names thereon through the post, and returned to the Returning Officer in the same manner, and free of postage. Tenants of the Crown only to vote. The Board to hold office for five years, when there shall be a fresh election and nomination. I recognise that Land Boards are Courts of arbitration, and Judges as between the Crown representing the taxpayers of this colony and the tenants, and consequently should be representative as between the Crown and tenants, and not one-sided, as at present. Under my proposal the Crown would have the Commissioner as chairman, with an ordinary and a casting vote, and its interest would be well protected, as it should be. Members of the House of Representatives and members of the Legislative Council to be debarred from election or nomination to the Boards. Land Boards would act wisely in using more discretion than they do at present in sending out notices of intention to forfeit for trivial and frivolous reasons. This sort of thing causes friction and soreness amongst tenants. Then, Boards should suppress names in giving information to the Press. As an example: James Brown, say, of Hataupu, applies to the Wellington Land Board to transfer Section 1, Block V., Hautapu, to James White. Now, then, all the Press notice that is necessary is that an application to transfer Section 1, Block V., Hautapu, was agreed to, or otherwise, as the case may be; and the same should apply to all transactions between Boards and tenants. What is it to outsiders? The transactions that take place between Boards and tenants, and it will save a good deal of unpleasantness. I have already called the Minister's attention to the fact that names should be suppressed from publication, and I understand that he has given instructions to suppress names in connection with notices of forfeitures; but it should be made general. It would save a great deal of irritation which is quite unnecessary. In this connection, and touching further on Land

Boards administration, the Rangers should be their own appointees, and not, as at present, the appointee of the Minister. The successful administration of all lands administered by the Boards depend to a very large extent upon Rangers' reports, consequently Rangers should be under the direct control of Boards, and their duties laid down and specially defined, and Rangers should be instructed to desist from prying or inquiring into tenants' personal affairs, which should not concern the Board. It only causes irritation and friction, which is undesirable. Rangers should in all cases be enjoined to use their eyes, and not their tongues, to acquire information, and in no case make suggestions to tenants with regard to their holdings. Neither should they use a system of espionage by seeking information, or even accepting such, from one tenant to the disparagement or otherwise of another tenant. The utmost care is necessary by Rangers in supplying reports to Boards that they should be correct in every detail and without prejudice. As to land-tenures: I am a freeholder, and, with the exception of certain pastoral country in the South, and probably some in the north, there should be but one tenure, and that tenure should be a lease with a right of purchase, if desired. The lease should not be external, but one limited to, say, forty-one years, and no longer, with compulsory improvements and occupancy, which I will refer to later, during the first five years, after which I would allow the tenant the option of purchase by, say, deferred payment for thirty-six years, on the principle adopted by the Advances to Settlers, by a payment of 6 per cent. on the capital; or he could purchase for cash, or he could continue his lease if he so desired for the balance of the term, when the land should again be placed in the open market loaded with the tenant's actual improvements. This form of tenure I would make retroactive to whosoever may desire, and in any case I would give the option of freehold to lease-in-perpetuity holders throughout the whole colony to all those that had occupied their holding for five years and complied with improvement conditions; and in the case of lands-for-settlement tenants to those who had resided, say, five years and complied with improvement conditions. I think all lands should be reclassified as first-, second-, third-, and fourth-class lands. With respect to first-class lands consisting of rich, level land, the maximum holding should be not more than 400 acres; in second-class lands, consisting of good agricultural country—say, rolling downs—the maximum should be 640 acres; and in third-class lands, consisting of, say, fair to good land, but more or less broken, the maximum should be 2,000 acres; and in fourth-class land, consisting of poor to medium country of a broken nature, the maximum to be from 2,000 to 20,000 acres, and no more, according to quality. These larger holdings, where possible, to be provided with a small homestead site of fair quality land. Referring to pressure of residence, I should say residence should be imperative for the first five years under the lands for settlement, allowing, of course, a reasonable time for erection of building, and certain improvements must be effected, as at present, on lands other than lands for settlement, otherwise designated waste lands. Where there is a road to the land residence to be compulsory for the first five years, allowing, of course, a reasonable time for erection of building, or in lieu thereof double improvements. Where there is only a 6 ft. track to the land, or, as in some cases, no track at all, the ordinary improvements should be sufficient. The present statute law relating to residence on bush lands is irksome under certain circumstances, and in some cases is being fulfilled under most trying circumstances, and under threat of forfeiture. Land Boards should be more reasonable in their demands for residence. They are not restricted in their interpretation of "contiguous land," and should be more reasonable in this respect. Fathers and mothers of families should not be compelled to reside upon lands where there are no schools at hand, or where the roads are unmade. As a rule, these people generally are only too anxious to settle upon the land, and compulsion should not be used. With regard to pressure of other restrictions, and referring here to the cropping regulations, &c., I do not favour the Boards having any power to withhold or refuse any reasonable thing. It is humiliating for any man, in this colony, at all events, to be required to go cap in hand to a Land Board for concessions. I would make reasonable regulations for Boards to be guided by in their administration. In the case of cropping, I would alter the present regulations somewhat as follows: I would classify lands into four classes for this purpose, and, beginning with fourth-class land first, I would say that land occupied at a less rental than 4s. per acre only one green or root crop and one grain-crop should be taken from the land. Rape may be sown in laying down pasture, and the land so used must be grazed for three years before breaking up again. In third-class land—land rented at anything between 4s. and 8s. per acre—two grain-crops, with aforementioned privileges as to green crops, &c. In second-class land, or land rented at a value of between 8s. and 12s. per acre, three grain-crops with aforementioned privileges as to green crops, &c. In first-class land, or land rented at a higher rental than 12s. per acre, four grain-crops may be taken, with aforementioned privileges, &c. In this case and in the second-class I would allow the occupier to cut his first year's grass if he chooses in lieu of one grain-crop, always providing that it must be laid down for the three consecutive years after cutting grain or first year's grass. This is the only way, in my opinion, in which this question of cropping can be satisfactorily settled. Personally, as a tenant, I would not ask the Land Board for any concession that is not given by statute law or regulation. Then, as to the burning of straw, no restriction should be placed upon a tenant as to how he should deal with the products of the land. Conditions are different here from what they are in the Old Land. Cattle are not housed much, and the straw cannot be used to make manure, and it only encumbers the ground if allowed to remain on the land. And here I would like to say that all classes of tenants should not have any embargo put upon them in their desire to borrow money. The Minister and the Boards should refrain from dictating at what rate of interest a tenant shall borrow at. It is no business of theirs. The lease sets forth, of course, that the tenant must first get the Board's sanction, and such sanction should not be withheld unreasonably in any case not as to the rate of interest. Further, I think all payments of rent by tenants should only be paid the first half-year in advance; the further payments as they become due at the end of six months, and not at the beginning. It is asking for a rental before it is earned, and it must come from the

land. Then, as to payments of rent: I think arrangements should be made whereby the tenants could pay their rents when due at the nearest post-office. Referring to the effect of climate upon tenure, I have been in the north of this Island and in the South Island from end to end. Excepting in the case of pastoral runs, I cannot see why one part of the colony should be placed on any different footing to any other part in respect to tenure. Excepting under the homestead system, there are lands in the north of Auckland and south of Auckland, in southern parts of Otago, Nelson, Marlborough, and Westland which might be well given away to those who desire to settle upon them for nothing, the only conditions being occupation and improvement. With respect to the ballot system, I do not know how you can replace it by any other method equal. It places all applicants upon an equal footing. It is, of course, a lottery; but better a lottery than that it should be run up to a fictitious value by auction, and the law later to be altered to reduce first value. The practice of loading land with roading as adopted by the Crown is quite wrong. Let the settlers themselves load their lands through the controlling local bodies for those purposes. They can spend the money much more economically than the Government, and would consequently get more for their money. And, then, the money coming from the same source as the Government get their money—namely, the Government loans to local bodies—would be paid off in a given period, whereas by the system of loading the sum remains externally upon the land. This is neither fair nor just. Then, as to the values of leaseholds now and at the date of lease. Well, so far as lands held under lease in perpetuity are concerned on waste lands, I should say that if there is any value or increment other than what has been put upon the land it belongs only to the occupant. He, and he alone, is entitled to and deserves all the increment there may be. In the case of his desiring the freehold, I would place him in exactly the same position as the occupation-with-right-of-purchase holder, and he should pay the 1 per cent. extra with interest added, and no more. The same thing may be said with respect to the lands-for-settlement blocks. It has, in my opinion, been brought about chiefly by the settlers themselves. They have caused by their occupancy two, and in some cases three, blades of grass to grow where previously only one grew, and also the great demand for their products in the Mother-land and elsewhere. And, further, in numbers of cases lands-for-settlement settlers have undertaken monetary responsibilities in erecting dairy factories and creameries, and in increasing facilities for transporting their produce to market, and have thereby added increased value to their holdings. Will any one claim justly this value does not belong to the tenant? I claim that the occupier is entitled to the freehold of that land, if the freehold is granted, at first cost to the Crown. As I understand it, the only object of the lands-for-settlement policy was to increase the productive power of our lands by closer settlement. It surely was not intended originally to make this policy a means to increased taxation by rack-renting through a Fair Rent Act or a Valuation Act by the seizure of an increment, anyway. Now, let me say, if there is to be a seizure of any increment if the freehold right is granted, there should be a maximum rate fixed by law somewhat on the following lines: In the case of land rented at 12s. per acre and over a maximum of not more than £1 per acre might be demanded; 15s. per acre on land rented at a value between 8s. and 12s. per acre; and 10s. per acre on land rented at between 4s. and 8s. per acre; and where the land is rented at 4s. per acre less 5s. per acre should be the maximum, and these claims should only be charged where proved that there is an increment which the Crown is entitled to. Now, we have about 750,000 acres of land occupied under the Land for Settlements Act, and presuming that the average increased value to the purchaser was 10s. per acre all round, it would add £375,000 to the Land for Settlements Fund. In case the freehold is granted under the land for settlements, I would not allow any transfer of any instrument of these lands to other than those who could make the same declaration as the original occupier. As to the working of the Advances to Settlers Department, I know but little of its workings. A relation of mine once applied for a loan, but was refused. He, however, got the money at $\frac{1}{4}$ per cent. less privately, and later renewed it at $\frac{1}{2}$ per cent. less than the Government charges. I am inclined to think that there is just a little patrimony under the Advances to Settlers. All the same, I believe it to be a good Act if properly administered. In the interests of settlers it should not operate in cities. I certainly object to the aggregation of large estates, and, in my opinion, the day is past when aggregation other than what is desirable will occur.

170. You said you thought the Land Board should be partially elected—two to be elected and two to be nominated—and that the election should be confined to Crown tenants. Do you not think that would give too much preponderance to the Crown tenants, because the Government is the landlord, and they might be outvoted?—The three to two Commissioners' casting-vote would keep that right.

171. You think that the Crown Lands Ranger, who is an important officer, should be appointed by the Land Board. Do you not think that would be rather curious, because the Ranger requires to be in an independent position, and might be in conflict with his masters in away?—I do not think so. I think, of course, that the Board would be the proper authority to appoint a person who has to report to them. It is an arbitration really.

172. You are altering the Land Board very much by making them the appointees of these people, because they have no appropriation to pay him from?—The appropriation should be allowed them.

173. The Government of the day are the parties to pay out the money?—The Government of the day can make an appropriation to the Land Board.

174. *Mr. Paul.*] Is it not a fact that a good law can be spoilt by bad administration?—No doubt.

175. You admit that the Land Boards are more of an administrative body than anything else?—They should be only an administrative body.

176. Is it not a fact that the Land Board should be as much as possible in sympathy with the land-legislation of the day?—I think so, as between the tenant and the State.

177. Do you think that is likely to be achieved by election?—Yes.

178. If a political opponent of the Government of the day were elected to the Land Board, could he not do a great deal to shake the confidence of the people in the Government of the day?—I do not think so. He has only to administer.

179. Can you give any instance of the Rangers harassing the settlers or the Board being unreasonable in its treatment of settlers?—I do not care to bring in special cases in that connection. I have had letters from tenants, who have satisfied me that that is so.

180. You have come to a conclusion without hearing the Land Board or the Rangers in defence?—I do not know that I want to hear the other side. I am satisfied with the side I have heard. These people would not write to me in the strain they have if it was not so.

181. Of course, it is entirely your affair as to what you base your opinions on; but as a general principle is it not fair to hear both sides before you make up your mind?—Perhaps it is not; but in this case I think I am perfectly justified in making up my mind with the one side.

182. Are you in favour of limiting the area of freehold?—I have already said that.

183. In your statement did you lay it down that all tenants under the Land for Settlements Act under the lease in perpetuity should have the option of the freehold?—Yes.

184. Would you extend that option to the tenants of endowments?—Yes.

185. Would you take it further and apply it to private tenants?—I do not think it is possible. Of course, what is good for the goose is good for the gander; but the position is, as far as private lands are concerned to-day, that the large holders who are giving leases are giving the right of purchase. In the case of small holders who are leasing their lands that is principally done for some specific purpose, such as for the benefit of the family, and they could hardly be expected to part with their land. But the large landowners are giving purchasing clauses.

186. Do you also know of cases where they are not doing so?—No.

187. Would you apply that principle to large holders?—Yes.

188. Is it really leasehold if you place such restrictions on the land—such as limitation of area and preventing a man leasing unless he gives the right of purchase?—Yes.

189. Is the settlement you are in successful?—Very.

190. Have there been any sales?—One, I think.

191. Was that to the advantage of the seller?—I could not say.

192. What special advantage would it be to give them the option of the freehold?—The advantage which every Britisher considers it is best to adapt himself to—that is, the right to occupy what is his own. A man will do with land which is his own what he will not do on land which is not his own and cannot be made his own.

193. What would leaseholders do that they are not doing now in the way of farming their land?—They might take off four crops, instead of being restricted to two.

194. Did you visit the Cheviot Settlement?—Yes, I have been all over it.

195. Would you give the settlers on Cheviot the option of the freehold at the original value?—Yes.

196. You saw the estimate of the profit made out of Cheviot annually?—Yes. That profit belongs to the occupiers—at least, that is my opinion.

197. You know that the State putting that railway in is increasing the value of the land?—I have not considered the question of the railway being put through the estate. That is quite another matter altogether. Leaving that out of the question, anything that these people have got in the matter of increment is their own.

198. You cannot leave the railway out of the question in Cheviot; it is going there shortly—I do not profess to say that there should not be something attached to that fact.

199. You know that on Cheviot a large area was let on twenty-one-years leases: what would you do with that—small grazing-runs?—I would give the people the right of purchase.

200. At the original valuation?—Yes.

201. I should think that would be a good bargain for the tenant?—It might be. It would be no loss for the State.

202. There is a revaluation at the end of twenty-one years?—Yes.

203. Do you think it is likely that some will pay an increased rental?—They may when the railway gets through.

204. But you would sell at the original value?—Yes.

205. That would be no loss to the Crown?—No.

206. *Mr. McCutchan.*] You are aware that “thirds” go from occupation-with-right-of-purchase leases to the local bodies, and after ten years there is a right of purchase: do you think that the third of the capital value should go to the local body?—I do. Previous to the Act of 1892 a third of the cash went to the local body, and it should go still.

207. Do you think that a third from the cash sales should go to the local body?—Yes, I should in certain circumstances where the roads are not made.

208. If you establish the principle that the “thirds” from cash sales should go to the local body, does it not follow that the “thirds” from the 999-years leases should go to the local bodies for the whole period of the term?—Yes, if the lease is in existence all the time.

209. *Mr. Anstey.*] I think you said you were in favour of parting with the freehold of all the land of the colony excepting the poorer grazing land—the pastoral country?—That is, the high pastoral country, which could not well be occupied. There are some lands in the North being rented 60,000 acres for £60 per annum.

210. Do you think it is well to sell the good land and keep the bad?—What is the value of the bad land to any one.

211. Do you not think it is wiser to sell the bad and keep the good?—No, I do not. The State can better afford to keep bad land than the private individual can.

212. You gave us a list of what you thought would be proper cropping restrictions. Do you think they should apply to the whole of the colony?—Yes.

213. That a man paying 12s. an acre or more for his section should be allowed to take off four crops?—Yes.

214. You have visited the South Island?—Yes.

215. Are you familiar with the cropping restrictions of the South Island?—They are the same as in the North Island. I quote Cheviot as an example. There is land near the Waiau which is paying something over 12s. or 15s. an acre, and they are only allowed to take two crops, and there are some downs a few miles distant which are paying 5s. 6d. an acre, and they have the same cropping privileges. Is that fair to the man occupying the 12s.-land?

216. You believe that all land paying 12s. rent should be allowed to take off four crops in succession?—12s. and over.

217. You spoke of the homestead system as one that you would like to see introduced?—I have no objection to its introduction.

218. You think it is wise to give that poor land away altogether?—I do, so long as you get settlement on it.

219. Do you think it is wise to give it to people of very little means?—I do not know that it would; it depends on circumstances.

220. The land you would give away is only suitable for settlement by men of considerable means?—It depends on the area you give him.

221. You would have to give a fairly large area of it to be of any use?—It depends on whether it is adapted for special purposes, such as fruit-growing, and so on. If it is adapted for fruit-growing there is no need to give a very large area.

222. In that case you would only give the land to men of large means?—A man with small means could take up a small area. If he had a large area and only small means he could not work it. The area must be according to means.

223. If the land is so poor as to be worth nothing is it wise to send a poor man there?—I am not in a position to say that. I only make a proposition, and say that where lands are poor and people choose to take them you should give them to them.

224. Do you think that if you were a landlord of a large estate you would allow your tenants to elect their own steward?—No, certainly not; but if there were five stewards I should probably give them the liberty of electing two. I think the Land Board is a board of arbitration as well as an administrative board really, and justice should be secured.

225. *Mr. Johnston.*] You say that the Rangers make personal inquiries: is that within your personal knowledge?—Yes.

226. Unnecessary personal inquiries?—From my standpoint, unnecessary personal inquiries.

227. What would you call unnecessary personal inquiries?—Inquiring from me the number of stock that I held personally on my land. There is no necessity for any of that sort of thing.

228. Do you not think that is very necessary information to be required?—I do not think so. The Department, if they require the information, can get it from the Registrar-General.

229. What harm could there be in giving this information?—Tenants do not care about it.

230. You have to make a declaration in any case at the end of every year?—Well, let them take that return; one declaration is surely enough.

231. What is the objection?—You are duplicating a return, which is not necessary.

232. You wish the Rangers to be appointed by the Land Board, instead of by the Government as now: do you not think the officers of the Land Board are efficient?—Yes, as far as I know.

232A. You would substitute for the lease in perpetuity the lease for forty-two years?—Yes.

232B. Would you give the lessee the right of renewal at an arbitration rental?—Yes, I dare say that would be fair.

233. You said in your statement that you would put it up for sale again; but do you not think the holder is entitled to his interest in the property outside its real value? Would you not advocate giving him the right of renewal at an arbitration rental, less, say, 5 or 10 per cent. for his unearned interest in the country?—I think it would be sufficiently protected by his interest in the property.

234. That is to say, in the arbitration rent?—Yes, and the improvements he has got on the land. That is the check on outsiders.

235. Would you tell me how you would class the rich flats of Manawatu and, say, the Rangitikei or Sandon land?—Certain parts of the Sandon land I would call first-class. Some of it is superior to the Manawatu land.

236. Take the land about Oroua Bridge and the land at Mr. Harris's place at Sandon: you would not class those together, would you?—Yes, I think so.

237. You would not put them down at the same value?—I think so. One is specially adapted for cropping and the other for grazing.

238. Would you class Balsille's land, at Kairanga, the same as Mr. Harris's at Sandon?—I do not know that I would; but I do not know that there is much real difference in value.

239. One would realise twice as much as the other at present?—Yes, because one is easier to get at, and closer to population.

240. Would you classify the lands of the Provincial District of Wellington by themselves, or would you cut the Wellington district into areas and classify it?—You would have to do something of that kind, no doubt, in classifying.

241. You consider residence of five years is sufficient?—Yes; the Government considered it sufficient so far as the Land for Settlements Act was concerned.

242. Do you not think that double improvements would lead to dummyism?—I do not think so, to any extent.

243. Do you not think that double improvements allows for speculation on the part of capitalists who have money available for investment by improving the land with the view of selling it again?—That has occurred in the past to some small extent; but I do not think it is likely to

occur again. There has been too much trouble in that connection by litigation, and it is not likely to occur again.

244. Can you give one instance of the Land Board being arbitrary or unreasonable?—I do not care to bring any individuals into this matter. I have my own opinions about it, and I have various letters which have been written to me which have led me to believe it is so, and that is the only answer I care to give.

245. Do you know of no cropping land in the South Island which is let at £1 per acre?—I suppose there is some at Waikakahi, and, if so, they only get the same privileges as people settled on land at 2s. 6d. per acre.

246. No; they are allowed to take off three crops, and in some cases they are allowed to take a fourth?—That is news to me. I did not know that such discretionary power had been given to the Land Board outside the regulations.

247. Do you not think it would be a very slipshod way, to allow rent to accrue, and not to have it paid in advance: do you not think it would be better for the State to have it the other way?—Perhaps that is so; but it is not the right thing for the tenant. In some cases the settler may be more or less impecunious, and he should not be asked to provide the rent beforehand, except as a guarantee of good faith in the first instance.

248. Have you ever know a tenant crop his land and walk away without paying rent or anything else?—I have never heard of any instance of the kind.

249. Would you give this land in Auckland away entirely?—I say there are lands in Auckland which might fairly be given away.

250. Do you not think there is a large area of land in the Auckland Province that it would be a crime to even make a present of to any respectable man?—I do; but, all the same, if people are willing to take them let them do so.

250A. Do you not think the very substance of the people would be taken out of them by trying to farm these lands?—They seem to be perfectly satisfied to do so.

250B. Do you not think it would be much fairer to put a man on good land than to put him on the poor clay stuff in Auckland?—The better the land you put a man on the better for the country and for the man.

250C. Do you not think it would be better to have a straight-out ballot, the applicants being grouped financially?—As long as every one has a fair show, I do not think there is any necessity for having a double ballot.

250D. Do you not think that the Land for Settlements Act has been of great advantage to the colony?—I do, more particularly where it has not been used compulsorily.

250E. How many families are there on the land where you are at present?—Fifteen.

250F. How many living souls were on that land before it was cut up?—I cannot tell you, because I did not know the position at that time.

JAMES DUDLEY RYDER HEWITT examined.

251. *The Chairman.*] What are you?—I am a settler, farming about 2,000 acres of freehold and 286 acres of college lease for twenty-one years, with full value for improvements at the end of the term, when the lease will be put up to auction again loaded with the improvements. I have no grievance of my own. I simply come as a member of the branch of the Farmers' Union, of which I am chairman, and of which there are over two hundred members. I may say I am in favour of the freehold and the lease with the right of purchase. The freehold I look upon as the most advantageous to the nation. There seems to be a very mistaken idea about the freehold tenure. The agitators against the freehold do not seem to recognise the duties that are attached to freehold. It is not an absolute ownership of the land. It is holding the land for the nation, and carrying out certain duties connected with it—that is to say, we have to pay the rates which make the means of communication all over the country; we have to maintain hospitals and other duties which can be put upon us because we are freeholders. The freeholder stakes probably the whole of his property in buying the freehold, and many of us have gone a good deal further than that, and we have raised money to improve our lands as well. That binds us to the land and to the colony, and in a time of depression we cannot get away with the same facilities that the leaseholder can. The leaseholder can sell his stock—it may be at a loss—but he does not trouble about it, not having any money in the land. So that the freeholder is the back bone of the nation and the men whose welfare is bound up in the colony. The objection to the leasehold is the inspections and things of that sort which we Britishers do not like. We do not like to have people continually coming and telling us that we must not crop this year, and must lay down in grass. We want to be free to farm to the best of our ability. One of the great advantages of the Farmers' Union now is that we are disseminating knowledge as to the best system of farming by means of our conversations and meetings. The deferred-payment system was an admirable system, but the 999-years lease, if it was strictly carried out, is one of the most foolish things for the colony ever introduced. The idea of letting people have land at 4 per cent. on its present value for 999 years is most foolish, but, still, we Britains have the idea that if we have made a bargain we must stick to it, whether it is good or bad. You have given your word for a thing, and you have no right to go from it, and therefore, I cannot hold with what is called the Fair Rent Bill, but I would not let another acre go under the 999-years lease. I maintain that those people who are given the right of purchase should have it at the original value, because it is their labour that has improved and given value to the land. By their payment for roads they made means of communication all through the country, and in many cases they have raised special loans and practically mortgaged their lands for those roads, although the Government Valuation Department will not allow that such is the case. That is one of the grievances we have against the Valuation Department, and which makes us hesitate very much before we would allow or give our consent to any other system which would entail more inspection upon us, or more valuation of our interests. This is a freehold district,

and we have nothing to do with the Land Board; but, so far as my own knowledge of the Land Board and of the Land Commissioners goes, I must say they have been very fair men, and have tried to do their duty to the best of their ability. I will say that of all the Government Departments, but very often they interpret Acts in a way which presses unfairly on people.

252. You think the freehold produces a better class of citizens than the leasehold?—Yes, because a man with the freehold puts his whole backbone into the work of farming.

253. *Mr. Johnston.*] Suppose a man has got a freehold valued at £6,000, with a mortgage on it of £3,000, and a leaseholder has got a leasehold on which the improvements are estimated at £3,000, what is the difference between the two in times of depression?—There is no difference in the actual money, but in that case it is probably the freeholder's all, whereas it is not the leaseholder's all.

254. Why not as much the leaseholder's all as the freeholder's all?—If it is it is a more marketable commodity in a time of depression.

255. Evidence shows that that is the very reason why it is not a marketable commodity?—Nobody would buy a leasehold. But I would like to say that you are going in for very large leaseholds with £3,000 improvements.

256. Well, what is the difference between a man with £300 in his freehold and a man with £300 in a leasehold?—I do not suppose there is any difference in the actual money.

257. Then, it is practically a matter of sentiment?—It may be a good deal. You may have come across an exceptionally good lot of men who have put their money into improvements, but you will find that, as a general rule, they will not put the same backbone into leasehold as into freehold.

258. Do you know of an honest man who is a leaseholder who has not treated his land in the same way as he would were it a freehold?—To a certain extent there is a certain amount of dishonesty about it, but there is the tendency to do a good deal more for your freehold, where you know that you can pass it on to your children, than you would with the leasehold.

259. Do you treat your college lease in the same way as you treat the freehold?—Exactly, except that I would not go in for a lot of improvements on it whilst I have a freehold. I am limited in the amount of money I have got, and I will spend my money in improving my freehold before the leasehold.

260. Suppose you had a 999-years lease at the original rent with full security against interference?—I would chuck up the freehold to-morrow and take a 999-years lease, because it would mean so much money capital to me.

261. You think the 999-years lease is a great deal better than the freehold provided nothing can interfere with you?—That is just what we are afraid of.

262. The reason for your advocating the freehold is that you are afraid of the 999-years lease being broken?—Yes.

263. Would you for one moment think that any British colony would tolerate interference with a bargain like that?—I hope that no British colony would, but when we hear these socialistic ideas that are going about we do not know where they are going to end.

264. Do you know of any undue interference on the part of Inspectors?—No. I am a freeholder and do not have inspection.

265. What you say is only hearsay, then?—Of course it is.

266. Have you visited any settlements under the Land for Settlements Act in the South Island?—No.

267. How many of the two hundred members of your branch of the Farmers' Union are Crown tenants?—I cannot form an idea. There would be very few. They are nearly all freeholders in this district.

268. *Mr. Paul.*] You referred to sentiment being something very substantial in the case of freehold: does it pay a man to gratify that sentiment?—He will pay a good deal for sentiment.

269. Generally speaking, does it cost him anything to gratify it?—Yes. Take it in this way: supposing you have worked at a farm and made a home for yourself and your family, and a man comes along and offers a price really above what the place as a farm is worth in your estimation, yet, for the sake of sentiment, you will not sell the land. If there was no sentiment in the world we would go very far wrong.

270. What I want to know is this: you are advocating giving the option of the freehold to Crown tenants, and you say that sentiment enters into that: will they lose anything financially by gratifying that sentiment, or will it pay them?—Probably they will lose money to gratify their sentiment.

271. You think that the leaseholder converting his holding into freehold will lose money by doing so?—He will be willing to lose money.

272. Will he lose money?—Yes, in order to get the freehold.

273. You referred to socialistic ideas in regard to the leasehold: did you never hear of any socialistic ideas about freehold which might interfere with that tenure?—Yes.

274. Why are you so much afraid of them when expressed with regard to the leasehold?—I think some of us will fight for the freehold, and it will be a bad day for the country. There will be civil war as sure as faith; but when it comes to the leasehold, I do not know that we are so much in love with that as to fight for it.

275. Is it not a fact that if the State tried to rob any body of men of anything that they would fight? Supposing they wanted to take so much money without giving an equivalent, do you not think there would be a fight?—Yes, if there was enough of them to induce them to think they would succeed.

276. Is your lease satisfactory to you?—Yes, because I knew what I was doing when I made my bargain.

277. Did not the lease-in-perpetuity holders know what they were doing when they made their bargains?—I suppose they did to a certain extent.

278. You made a great point about Britishers sticking to their bargain: do you think that of the section of the Crown tenants who want to convert their holdings?—Yes. You may say, of course, that he wants to get out of a bargain that he has made, and why I want to let him off that bargain is because it is such a bad bargain for the State.

279. If he is a Britisher he will stick to his bargain, whether it is good or bad?—If you ensure that he will not have his rent raised then he will stick to it, because he has got such a splendid bargain. The only unfortunate thing about it is, that people have such little faith in it that they will not lend any money on a lease in perpetuity.

280. Is it not generally time enough to bid the devil good day when you meet him?—I have not had any truck with the devil.

281. Why is the lease-in-perpetuity bargain a foolish one for the State?—Because they take a man's land at the 10s. an acre, and it is let at 4 per cent. on that; and the land is not subject to land-tax, because he is not the owner of that which, under the freehold, is subject to land-tax.

282. Is not the leaseholder's interest in the land subject to land-tax?—There comes in the difficulty. The great difficulty is to estimate that correctly. That is one of the things which is rubbing the people up now very much. The Valuation Department have tried to do their best to put a fair value on all lands, but there are no regular rules laid down for them, and it is so very difficult to get a really fair estimate of what a leaseholder's interests in the holding is.

283. Is there any difficulty over valuing the freehold for the purposes of land-tax? Have you ever heard any grumbling?—We all grumble about the way the improvements are run down.

284. Is the difficulty only with regard to leasehold?—We do not want to have any more deductions made from improvements.

285. Would you limit the area of freehold that one man could hold?—I would limit the freehold that any one could acquire from the Government by making it liable to the graduated tax. That would limit the area which anybody could hold.

286. Is your land of good quality?—Some of it is good, some of it right up in the heart of the Tararua Range.

287. Comparing it with some of the other settlements, how many families would it support if it was cut up?—In what condition of life?

288. The average condition of a settler?—That is to say, that a man could bring up a family, say, of five children, and bring them within the reach of schools. Well, I suppose that it would take about 300 acres to each family.

289. *Mr. McCutchan.*] In connection with your lease, you get full value for your improvements at the termination of the lease?—I am supposed to.

290. Was it bush land originally?—Yes.

291. Do you think it would be possible to value improvements at the end of the lease so as to compensate you in full?—I hope they will.

292. Is there any other value excepting that of improvements which would have to go to your land?—No, there cannot be.

293. Have you spent any money in roading it?—No.

294. Have you contributed to a dairy factory?—It is about one mile and three quarters from a dairy factory.

295. Does any of the milk go from your farm to the factory?—No.

296. Did you take shares in that factory?—No.

297. You pay rates?—Yes.

298. Does the road give an added value to the land?—Yes.

299. Would the valuer be able to estimate that in valuing your property?—I think he ought to.

300. Will it go to you or to the State?—It should go to the State.

301. Do you think that is just?—No; every road that I use has been made by special loans raised, which practically are a mortgage on my property, but I am not allowed any value for that, and the Government levy land-tax on it. I do not consider that right.

302. Over and above the tenants' improvements, in some instances it means that dairy factories, harbours, and freezing-works, and settlers have given an added value to the extent of £5 an acre in the case of good land under this system of valuation that has not in any way added to the tenants' improvements: is it added?—No.

303. Do you think there should be reform in the method of valuation, so as to secure the increased value given in this way to the occupier?—That, of course, is a difficult question—whether there is an unearned increment or not. I would certainly advocate a reform in the method of valuation in order to secure the increased value to the tenant.

304. You think the present method is quite unfair?—I do.

305. Would you go so far as to say that the method of valuation has a tendency to increase the unimproved value at the expense of the tenant?—Certainly it does.

306. You advocate the reintroduction of the deferred-payment system?—Yes; I think it was one of the fairest systems that it was possible to have.

307. Was not the disadvantage of the system the fact that the capital value put on, in some cases 25 per cent., and in other cases 50 per cent., as against the occupation with right of purchase and the lease in perpetuity?—But, then, a considerable amount of that was returned for the roading. It was called a "road third."

308. Was not that a disadvantage, inasmuch as it made the payments so heavy to a struggling settler at the beginning?—It made the payments heavy; but, of course, it was spread over a term of years.

309. Was it not the case that many of these men who held land under the deferred-payment system were forced by the heaviness of the annual payments or half-yearly payments to capitalise?

--I do not know of any case. I know I had three deferred-payment settlers as my neighbours, and they were all able to purchase their freehold in a short time.

310. Do you think the deferred-payment system holds any advantage over the occupation with right of purchase?—The only way would be that the deferred-payment system, to a certain extent, forces a man to take care and make his payments correctly, whereas under the occupation with right of purchase, unless it is fixed definitely at a certain time, he is not forced to make his payments promptly. I think a great deal of encouraging people at the outset of their lives to be careful, and to look out for a rainy day, and I think the deferred-payment system to that extent forces them to be ready with their payments at a certain time.

311. Do you not think it is a wise thing in the settlement of the country to provide an easy means for the employment of a close population on the land?—Certainly it is.

312. And is not that better done under the present system than under the deferred payment?—Of course, the lease with right of purchase is what I advocate.

313. Would you advocate a change on these lines: instead of the tenant having to find the whole amount of the purchase-money after ten years have expired, that they should be allowed to reduce the capital value by instalments by means of their savings?—I would be quite willing to do that; the only thing is that we want to encourage our young men to be thrifty during the first years of their work.

314. You are aware that the settlers are struggling against great difficulties in regard to roads: have you considered any scheme under which the present unsatisfactory method of financing the roads may be improved?—I cannot say that I have. I am quite agreeable to the special loans for the roads with special rates for the loans, if it is allowed to be one of the improvements which the settler is to put upon the land.

315. Do you advocate a fixed scale of subsidy in connection with these rates?—To a certain extent the subsidy system is a right one, because the whole of the public have a right to the use of these roads.

316. Is there not a further reason, that the Government are borrowing largely for public works, and that, therefore, each district is entitled to its share?—I do not think that, because if the Government will lend the money for the special loans at the same rate as they can get it at, and pay their expenses, then I think they will have done as much as we can expect from them.

317. Then a settler should go into the back country, and be quite content to road the country for himself?—On the same terms, yes, I think so. The Government give the land for the road, they grade it and lay it out, and I think that the public have done enough for the settlers there. Then, I think it is quite right that the settler should make the road, but he should be given the facility to raise money to make that road.

318. Do you not think, in the back blocks, if the charge is entirely put on the land, that it will cripple the settler, and men may not take up the land on those conditions?—I do not know. I rather hold that the Government should put such a price on the land that it would pay for the roading, and it does not matter much whether it is done by the special loans which the Government give them.

319. Then, you would advocate the entire cessation of borrowing, excepting for works which would pay the full interest on the loan straight away?—Yes. I did not say that we should borrow for nothing else now but remunerative works, but I should like to see the public works finished up as soon as possible to a remunerative stage.

320. Then, you advocate the entire abolition of grants and subsidies to local bodies?—No. I do not think that, because here we are giving another thing. The local bodies do works which are a benefit to the whole community. They get their revenue from the rates, but why should not the rest of the community—I am not going to raise the cry of town against country—who get the benefit or the roads and means of communication help to bear the cost. How are we to get anything out of them to assist to pay for these facilities excepting through the Government subsidy.

321. Then, you advocate that if the country settlers are prepared to rate themselves heavily, they should proportionately be helped from the loans raised by the Government by way of subsidy?—I quite agree with you there.

322. Would you abolish grants altogether?—No, not in the way of subsidy. I do not believe in the present system of grants at all.

323. Would you abolish them?—Yes.

324. *Mr. Anstey.*] Do you not think that the objection to the lease in perpetuity is also due to the agitation of another organization—the Farmers' Union—nearly all of whom are freeholders?—I do not think it is.

325. Do you think it is quite right for one body to advocate a breach of a contract in one direction, and yet deny another class the right to agitate for a breach in another direction?—It is such a bad bargain for the colony, this 999-years lease, that I am not advocating a breach of it, but the stopping of it. I would not let another acre go on that tenure, but I would stick to the bargain you have made; but let those men who have made no bargain have the advantage of the difference.

326. Did you advocate giving lease-in-perpetuity settlers the right of acquiring their holdings at the original value—that is not sticking to their bargain?—Well, if it is going to be done, I am only going on the supposition that they are going to alter the terms of the lease. I think that this sentiment I spoke about will make them quite willing to throw up that bargain if they can get the freehold, and if they can get the freehold they ought to be allowed to get it on the original value. I am only going on the supposition, that this sentiment is so strong that they will be ready to throw up this jolly good bargain that they have in order to get the freehold. If it is only half an acre of land we want to own it, but not always to hold it at the mercy of anybody.

327. But, do you think that it is quite right for any organization not interested in the bargain, or a party to it, to advocate a breach of it?—We are not advocating a breach of the bargain. You can throw up a thing you have got.

328. *Mr. Johnston.*] Is there not a very considerable amount of "unseen" improvements in the shape of labour and capital in the case of bush selections?—Of course, there is a great deal, because the land-tax people have laid down a rule that you are not to allow more than a certain amount of bushfelling. I have paid £2 5s. an acre for bushfelling, but I believe now that the Land-tax Department will not allow more than £1 10s., and, therefore, have swept away 15s. of my improvements.

329. Then, there are real improvements that cannot be valued in the case of bush lands?—They cannot be valued unless you are taking the words of the people who have formed those improvements.

GEORGE FRANK RANBY examined.

330. *The Chairman.*] What are you?—I am a farmer, and one of the Aorangi Crown tenants. I hold 90 acres lease in perpetuity. I have held it five years, and am paying about 16s. an acre. I am not satisfied with my tenure, but would be if I had the right of purchase with it. I was of that opinion before I took it up, but I had no option. I am quite satisfied with the land. I have been very well satisfied with the Land Board and the way I have been treated, with the exception of one little matter which caused a good deal of expense. It was not very much as far as the Board was concerned, or the Ranger. I believe the Crown tenants should be represented on the Land Board. In the first place, the members of the Land Board should be men who understand the wants of back-block settlement. They should be practical men.

331. Is your desire for the freehold occasioned by what we have heard so much about, the insecurity of the lease and dread of revaluation?—It is not on account of the agitation of the Farmers' Union. Before they brought it up I was of opinion we should be allowed to have the purchasing clause, and I went round amongst the settlers and asked them to sign a petition to the Government to that effect. Some did and others did not, as they did not want to show their hand. Soon after that the union took the matter up, but I thought it would have been better if we had placed our grievances before the Government then instead of allowing the Farmers' Union to do it. In the settlement there are over twenty Crown tenants, and only one or two against the freehold. That was the man who spoke against it here, and another man who I understood was an out and out freeholder, but have heard since he would not put his name to any document to say he was a freeholder. As to the uncertainty of the leasehold tenure there is something in that suggestion, but there is a stronger feeling in my case. I maintain I have done my share for the State, and that my improvements should belong to me. I feel that the restrictions of the Land Board are irksome, and that I can run my own business without outside supervision.

332. Have you felt that the cropping conditions prevent you doing what you would like to do?—To a certain extent they have. But I crop the land as it should be cropped, and I was not afraid of the Land Board or Ranger.

333. They did not interfere with you in any way?—Only gave me notice that I was not to crop above a certain number of crops, and about removing the bush from the place. There were 32 acres of bush when I took it up which I felled to get the ground in grass. I left shelter bush on the place.

334. Was there any timber?—No milling timber. The mill had been through it.

335. Did they check you for doing that?—They drew my attention to the condition of the bush.

336. *Mr. Johnston.*] What was the value of your improvements?—I spent about £1,100 on the place, or rather more, apart from labour. That included a house, stumping, grass-sowing, road-ing, fencing, metalling, and cowsheds.

337. Do you live on the place now?—I have just sublet it.

338. What rent are you getting for it?—£2 an acre.

339. Your original rent was 16s. an acre: you have a fair margin of goodwill on that?—Just fair, but you cannot say any more.

340. About 8s. an acre?—It is no more than I have deserved for my five years' work. It is not as much as my neighbours are getting, who took up land in the same block for cash.

341. What would you get per acre for it if it was a freehold?—For part of the block the owner refused, last Saturday night, £60 an acre.

342. Who was the owner?—Mr. Champion.

343. For the homestead block?—Yes. It is not very far away from us.

344. Opposite the road Mr. Fitzherbert was offered £42 an acre nine months ago?—I have been away from the property about a month.

345. Had you sufficient money to take up this land without taking it up under the Land Board?—I had.

346. What induced you to take it up under the leasehold Act?—I had no option.

347. You were quite satisfied with your section?—Between the time I put in the application for it and the time I drew it was about three or four weeks, and in the meantime I was rather sorry I had applied for it.

348. Why did you throw it up?—I had not got it, but on getting it I thought I would keep it. I had been working so hard all my life that I had hardly sufficient brains to know one tenure from another.

349. You do not look like it?—Well, I had had a hard time, and I had spent all the money I had made in improvements on the place. I understood that the Government would by-and-by grant the freehold. A gentleman you are all acquainted with whom I spoke to about it advised me to take it up, and get as many of my friends as I could to take up leases under the same system, because he said "In time to come the more there will be to fight for the freehold."

350. You have not made a bad bargain?—No, but you must consider my five years' work.

351. I suppose now you want to invest in a small piece of freehold?—I have not made up my mind what I intend to do.