

19. As a class, do you think it is likely that they are in debt to storekeepers and others?—I do not think they are deeply in debt: they are people of very thrifty habits. Besides, the law does not permit of deferred-payment lands being given as security, so that they cannot borrow on the land.

20. You have spoken about making arrangements by which the land could be put up to auction, and they could purchase it if they could raise the money?—Yes.

21. Do you think they could raise the money?—I think in cases most deserving of assistance they could. In other words, wherever substantial improvements—over £200—have been made, I believe they could raise the money. If you like we will take a case in illustration, and see how much was to be paid to the Government and how much to the money-lenders; supposing the money borrowed to pay for the land.

22. You have said that, in many cases, if the land were put up to auction, with the improvements, it would probably not be purchased at all?—I believe that is very likely.

23. Supposing such a case, would it not be possible that, while a man still occupied land, another should step in at a moment's notice and buy over his head?—No; because the land can only be put up by auction, and the Waste Lands Board must decide when.

24. You do not think that to allow men who have taken up land from the Government at a high rate to come down and repurchase at a low rate would work well as a principle?—I do not think it would: it would be a very favourable concession. It would be virtually giving them the pre-emption of the land.

25. Would it not have the effect that a large number of persons not defaulters would come under the principle?—It would be a very strong temptation to those who are high-rented and have only paid one or two instalments; and I am afraid we would very likely have to extend it to some of them. I would say this would not be altogether a bad thing. It would in these times, when so much is said of retrenchment, cause a saving in the working of the Land Department. I may instance the Dunedin office, the time of which is now largely taken up in letter-writing to defaulters; and such deferred-payment settlers, even if all goes right, will be in account with the Land Office for ten years, during which twenty half-yearly receipts have to be sent; and then there is the additional expense of the rangers going round to see that improvement conditions are complied with. It is a most costly business to work. Of the money paid by the fifty deferred-payment settlers whose licenses date after January, 1878, not one penny has yet come to the Government. It filters through the the local Land Offices to Wellington, goes into the Treasury, is accounted and audited, and then is sent back to the Road Board. I will instance the costliness by some land taken from one of Sir Dillon Bell's runs. Two shillings and sixpence per acre was paid for extinction of grazing right, 1s. 3d. was paid for survey and mapping, and I forget how much for fencing, but the cost per acre would not be less than 5s.; and for all this outlay, made more than two years ago, the Government has not yet got one sixpence.

26. Then I gather from what you have said that the deferred-payment system is not profitable so far as money is concerned?—No; it is a serious drain for the first ten years.

27. You said that each of these cases as it rises would be dealt with on its merits?—Yes.

28. Would not that have the effect that enormous pressure would be brought to bear on the Waste Land Boards?—A Waste Lands Board can do nothing in this matter without the concurrence of the Minister of Lands.

29. Would it not be the cause of pressure being brought to bear on the Land Boards?—The action of the Board is controlled by the Government. It would prevent what it did not approve.

30. It is rather a question of policy that I am asking you. We have now so large a number of selectors on the electoral roll, would not pressure be brought to bear; would it not have the effect of altering the law?—I scarcely think so. Many of these people have paid for some years. In the case of those who have paid for years it would not be for their interest to break the bargain, because the deferred payments go to their credit as purchase-money.

31. Would you be good enough to give us a case in point?—We will take the case of A.B. He has 200 acres and pays £192 10s.; that is to say, virtually he pays 19s. rent per annum. This land is up the Shag Valley.

32. *Mr. Thomson.*] Is not that an extreme case?—I will take another. A man in the Budle District, near Macrae's, has 200 acres; he pays £59 rent; that is to say, he pays 6s. per acre rent for that land. If it were valued to-morrow by myself I would not say that it would be worth more than 20s. It is situated at an altitude of 1,500 feet, and is difficult of access: it has fearful roads. In fact, I reported strongly against the block being opened, but a cry was raised for land to be thrown open, and the Government gave way. My report was put on one side. The people who occupy it cannot now fulfil their obligations. I say these 200 acres are worth £200. Then a man has to borrow £200: we will say his improvements are worth £200. The land and the improvements are worth £400 altogether. He goes to a money-lender to borrow £200, and makes arrangements accordingly. The money-lender goes as far as £200, and charges 10 per cent. interest; that is to say, under this arrangement he would pay 2s. an acre to the money-lender instead of 6s. to the Government. You lessen his load by 4s. an acre.

33. How much of this 6s. is sinking fund?—It is all sinking fund.

34. There would be at least 1s. or 2s. that would be sinking fund?—The proper term would be instalment of purchase-money. What will be likely to happen with the people in the Budle District is this: In the case of those selectors who have not put up many improvements, the station-people will buy up the whole thing. The people cannot exist there. You cannot carry on an agricultural farm in the coast districts of Otago at an altitude of 1,800 feet.

35. *Mr. Macandrew.*] How many of these people do you think would be able to raise the money to pay up?—I have been very guarded on that point. I should not like to say positively. Speaking generally, I may say that it is the desire of the Government to enable people who have taken up land to remain on it without the loss of their self-respect. It is desired to avoid the imputation of state-pauperism being cast upon these people.