

Section 10 reads:—

“10. The declaration contained in section sixty-two of ‘The Land Act, 1877,’ shall, *mutatis mutandis*, be made by and apply to every applicant under this Act, who, in the event of any statement contained in such declaration being false, shall forfeit all his rights to such run, and shall also be liable to the penalties attached by any law in force for the time being to the offence of wilful and corrupt perjury.”

This declaration is the declaration made by the deferred-payment selectors now, and by this it is proposed to make it applicable to the runs. If this Bill becomes law this section would be necessary. One little thing I forgot to mention in connection with section 2. Referring again to that section, it says that no runs are to be offered that would carry all the year round more than 5,000 sheep. In regard to some country we have now in hand, it would be quite impracticable to keep within this limit, because there is a very large amount of high mountainous country which is most valuable summer-pasture if worked in with the low country. But you must associate them together if you would carry on the country all that it is capable of carrying. The two classes of country must be combined in some cases in runs which will carry instead of 5,000 at least 20,000 sheep. If the Committee desire, I will point out runs on the map which it would be simply impossible to divide so as to be workable in runs of 5,000 sheep. If it had to be done then a large portion of this excellent summer-country would be simply left unoccupied, or rather it would become a sort of commonage on which surrounding runholders would run their flocks during summer. That of course might benefit them to some extent, but it would diminish the State's revenue from the runs.

2. *Mr. J. Green.*] What was the upset price fixed by the department for the Otago runs?—About £33,000, I think. The department in fixing it adopted a rather cast-iron principle. It went over the assessment-list and simply added 50 per cent. on that. It was assumed that the runholders who were paying 7d. a sheep would pay from 10d. to 1s., the higher price being adopted where the country was good. In order to be sure on the matter, I consulted the Chief Inspector of Sheep, and he told me the assessment-returns might be accepted by adding 5 or 10 per cent., which was done. The Board raised it to a little more than £36,000, and the buyers on competition again raised it to £69,000.

3. You said if the country had been divided in a more intelligent manner it would have brought still more. Will you state what you mean by a more intelligent manner?—Many months before the country was offered, the Government considered the matter very carefully, and came to this conclusion: that the country should be divided, as nearly as the natural features would permit, into areas of twice the depth to the breadth, so as to give compact shapely pieces of country that would not cost too much in fencing. In that manner the department planned the subdivision of the seventy-three runs then existing into 150. This scheme was lithographed and sent to the Board, and they cut some of the new runs into two, making the total number 173—that is, twenty-three more than the department recommended. I think in doing so, instead of opening the country, they prevented it from being occupied by more tenants. There is a tract of country shown on the map along the western side of the Dunstan Mountain Range from Cromwell up to the Lindis. The crest of the range is ten miles back from the Clutha River. By the department's plan this was divided as far as the natural features would allow into runs about ten miles long by five miles broad, giving an area of about 30,000 acres each. The Board took this piece of country and cut it into long narrow strips, the length being four or five times the breadth. I should not like to have to farm only one of these strips, because the fencing of ten miles on each side would, on account of the rugged surface, be a work of more expense and greater difficulty than the country would warrant on a short lease. Had the department's plan been adhered to, each run would have been worth having by itself, and it would have been possible for a man of moderate means to have taken up one of these 30,000-acre runs, and to have bid up to the extreme limit of what he thought it was worth, but as the Board laid it off no prudent man of moderate means would go in for 238s. say, because he could not work it profitably unless he could get 238s. To buy the country in this piecemeal manner was too great a risk for a small capitalist, for he might be left with only one strip, whereas to the existing lessees, Dalgetty and Co., it mattered little to them if, by bidding up a strip beyond its value, they extinguished a weak competitor, either by not letting him have any land, or only one of these unprofitable strips. Consequently the competition for the country was less than it otherwise would have been. People would know that this wealthy firm, having got one run, would bid the adjoining one up in order to make the other profitable by working them together, and that would deter them from bidding. Indeed it was so, for I have been assured by those who studied this country with a view to purchase, that had the runs been offered in the manner recommended by the department, it would have fetched probably 30 per cent. more rent than it did.

4. Which of the subdivisions—the Department's or the Board's—do you think most nearly complied with the Act, which says that the runs shall be divided into a carrying capacity not exceeding 5,000 sheep or 1,000 head of cattle?—According to the Act the runs may be offered in their entirety. I refer you to section 114. But assuming that the law limited a run to a carrying capacity of 5,000 sheep it would be simply impossible to cut the country up keeping within that limit. Take Run 201, which formerly belonged to Mr. Miller. The department tried to cut that into two or more runs, but could not divide it with any sense of wisdom at all. The country is, as you will see from the map, an area of about 70,000 acres, consisting for the greater part of a mountain ridge 5,000 feet high, with a narrow valley on each side, and a few thousand acres of a gravelly flat running from the end of the ridge for several miles in a long narrow peninsula between two rivers. You could not divide the ridge into runs, because there would be no low country adjacent to some of the subdivisions. It is therefore necessary to retain this country as one run, and worked in that manner it may carry nearly 20,000 sheep.

5. *Hon. Mr. Rolleston.*] With regard to this particular run, what was the experience with a short tenure as against a long tenure?—It would not let at all, for some reason I cannot divine. The Board offered their run of 70,000 acres for one year, and consequently it was not sold. The present lessee is holding it to the end of his term.