

1885.
NEW ZEALAND.

WASTE LANDS COMMITTEE

(REPORT OF), ON ALLEGED BREACHES OF SECTION 67, "THE LAND ACT 1877 AMENDMENT ACT, 1882," TOGETHER WITH MINUTES OF EVIDENCE.

Brought up 18th August, 1885, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

WEDNESDAY, THE 15TH DAY OF JULY, 1885.

Ordered, "That it be remitted to the Waste Lands Committee to consider and report on the working of clause 67 of "The Land Act 1877 Amendment Act, 1882," and as to any breaches of the said clause, and that all correspondence between the Minister of Lands and the Waste Lands Commissioners regarding such alleged breaches be referred to the said Committee."—(*Mr. J. McKenzie.*)

REPORT.

THE Waste Lands Committee, having been directed by the House to consider and report on the working of clause 67 of "The Land Act 1877 Amendment Act, 1882," and as to any breaches of the said clause, have the honour to report as follows :—

That it is the opinion of this Committee, from the evidence before it,—

1. That the spirit of the 67th section of "The Land Act 1877 Amendment Act, 1882," is being evaded, and the intention of the Legislature to prevent the monopoly of large areas of pastoral country is being defeated, and this Committee would recommend that the Government should provide against the same by further legislation.

2. That the Government should cause further inquiry to be made by the Land Boards with a view to put a stop to evasions of the land laws.

18th August, 1885.

A. P. O'CALLAGHAN,
Chairman.

MINUTES OF EVIDENCE.

FRIDAY, 31ST JULY, 1885. (Mr. A. P. O'CALLAGHAN, M.H.R., Chairman.)

Hon. Mr. CAMPBELL examined.

1. *The Chairman.*] You are a representative, Mr. Campbell, of the firm of Robert Campbell and Sons?—I am managing director of the company.

2. Are you aware of the general transactions of the company with reference to transfer of leases and other business of the company transacted in Otago?—Yes.

3. You are aware of the leases held by the company previously to the Land Act Amendment Act of 1882 being passed?—Yes.

4. I dare say you are aware of any transactions since with reference to any transfer of leases?—Yes.

5. *Mr. J. McKenzie.*] Will you state the area of country your firm held at the passing of the Land Act of 1882?—I could not tell you exactly.

6. The official records give it at 608,997 acres?—Do you mean actual leaseholds?

7. Yes; leaseholds?—Are you referring to Canterbury or Otago? I should think that would be about the total area.

8. You are aware that since that time a large proportion has been relet or resold by the Crown?—What do you refer to—to the University runs?
9. To all sorts. Take this area of 66,760 acres: your firm did not purchase that again?—No.
10. You are aware it was purchased by C. W. Clifford?—Yes.
- 10A. *Mr. Cowan.*] Canterbury?—No; Otago.
11. *Mr. J. McKenzie.*] There is a portion of the area (31,030 acres) sold to Walter L. Clifford?—Yes.
12. And a portion of country to Mr. A. C. Begg—12,670 acres?—Do you mean at Black's?
13. Yes. You are aware these sales took place—114,078 acres?—No.
14. There is another portion—the University Reserves. That 608,000 acres include 170,000 acres of University Reserves: 81,560 acres of that have been resold?—Yes.
15. Of that, 22,058 acres has been sold to Mr. A. C. Begg?—Yes; but I cannot assume that to be perfectly correct. I must take your statement.
16. It is taken from official records. When did your firm give up possession to these three persons, C. W. Clifford, W. L. Clifford, A. C. Begg? Or I will put it in this way: In whose possession are these runs?—The owners are in possession.
17. *Mr. Rolleston.*] Are they the owners?—Yes, subject to arrangements.
18. *Mr. J. McKenzie.*] Will you tell us what those arrangements are?—I cannot tell you exactly what the arrangements are connected with Cliffords.
19. Does your firm run any sheep on these lands at the present time?—Yes.
20. Can you tell on what terms—do you lease from Cliffords and Begg?—I really could not tell you for certain, but I believe the company rents from them.
21. Then, there would be no change in the management of these stations?—No.
22. Are they still carried on as stations of your firm?—Well, I cannot state that exactly.
23. You say your company rents from these people?—I am not exactly sure what the arrangement is. As to the London arrangements, I cannot tell you.
24. What position does Begg hold in connection with your firm?—He keeps the books.
25. Would he be able to give an account of the arrangements, seeing that he keeps the books?—I think so.
26. You, of your own knowledge, cannot state what those arrangements are?—No.
27. You have in no way diminished the number of sheep during that time?—No.
- Mr. Lake:* I think some of these lands do not come within the scope of this inquiry at all. An area of 610,000 acres is given; but out of that there is an area of 81,600 acres which this Committee has no right to consider at all. There is another place of 100,000 acres which we have no authority to inquire into.
- Mr. J. McKenzie:* That does not follow.
- Mr. Lake:* They do not come within the scope of this inquiry: they are University reserves. The last question put to the witness was whether he had not reduced his number of sheep. If this inquiry is to do any good we ought to eliminate from it matters irrelevant.
- The Chairman:* There is no use entering into the question of University Reserves just now.

WEDNESDAY, 12TH AUGUST, 1885.

Mr. A. C. BEGG examined on oath.

28. *The Chairman.*] Mr. Begg, will you please inform the Committee your occupation?—I am a sheep-farmer and station agent.
29. Are you acquainted with the business transactions of Messrs. Robert Campbell and Sons in connection with their leases of Crown lands in Otago and Canterbury?—Yes; I am acquainted with their transactions in the colony.
30. Are you aware of the quantity of Crown lands which they held in leases previous to the passing of "The Land Act 1877 Amendment Act, 1882"?—Well, I have not got the exact figures here.
31. You are aware of the leases held by them?—Yes; I know the number of all the leases, and about the acreage.
32. Are you in a position to inform the Committee as to the transactions that have occurred since the passing of that Act in regard to the leases and transfers of leases to Messrs. Campbell and Sons?—Yes.
33. *Mr. Reid.*] You say you know the number of leases held by Messrs. Campbell and Sons since the passing of the Act of 1882. Does this list, which purports to be a return of pastoral lands in the Otago Land District in the occupation of "R. Campbell and Sons (Limited)," at time of passing of "The Land Act 1877 Amendment Act, 1882" (see No. 1 paper, L85/1956), correctly show the number and acreage held?—I do not think it includes the whole of them—there are one or two Southland leases not included; but practically it is correct, as far as it goes.
34. This is Otago land?—Yes; I believe it includes all the Otago land.
35. This list shows that they hold 388,788 acres of Crown lands and 170,000 acres of University endowments. You say you can also tell the Committee the transfers that have been made since that date (1882). Does this list, which purports to be a return of those runs in the occupation of "R. Campbell and Sons (Limited)," at the time of the passing of "The Land Act 1877 Amendment Act, 1882," which have been released, how divided, to whom leased, &c. (see No. 2 paper, L85/1956), show the transactions correctly? I understand it has been supplied from the Land Office?—I expect it will be right. Of course it is a long list to keep in the memory. I cannot vouch for the correctness of the particulars of all the transactions. [After looking at the list] Yes; I believe it is correct.

36. In order to give the Committee some idea as to the amount of lands held by Messrs. Campbell and Sons, could you give, approximately, the acreage held by yourself in pastoral leases?—Somewhere about twenty thousand acres.

37. That is in your own name?—Yes. I see there is a long list of runs here in my name, but the acreages are small. They consist of one run, which is cut up into subdivisions.

38. Do you hold any pastoral lands in conjunction with other persons?—No.

39. All your lands are held in your own name?—Yes.

40. Do you act as attorney or agent for Messrs. Campbell and Sons?—Yes; I act as attorney in some matters, and in station management. I am general manager of their business.

41. Do you also hold a power of attorney for Charles Clifford?—Yes.

42. And do you act in the same way for him?—Yes.

43. Do you also act for Walter Clifford?—Yes; I hold a power of attorney from both of these gentlemen.

44. Now, could you tell us roughly, from your knowledge of the company's affairs, the sheep-carrying capacity of these 388,788 acres?—Well, it is rather a difficult question to answer. There is a large amount of freehold land owned by the company, which carries a large proportion of the stock. In the winter a large portion of the sheep are on the low country, and a great deal of this high country (that alluded to by the questioner) is not utilized at all.

45. But can you not state generally what is the carrying capacity of the leasehold land?—It is very difficult to tell the carrying capacity of the land when you are simply using it as summer country, and have practically no stock on it in the winter. One half of the year much of it carries no sheep at all.

46. You usually work it with the freehold property?—Yes. I should say roughly that it would carry about one sheep to three or three and a half acres—that is, the high country held by Messrs. Campbell and Sons.

47. Then, do you know of your own knowledge whether the lands are now carrying, and have been for the past year, the full number of their carrying capacity?—The lands have been worked to the utmost extent of their carrying capacity always.

48. Then the number of sheep shown in the sheep returns would show the real carrying capacity of the lands?—Yes; but there are no returns which discriminate between freehold and leasehold.

49. It is given in the return for 1883 as 288,254 sheep; and for 1884, 289,247 sheep. This, you say, embraces the total number of sheep on freehold and leasehold lands?—Yes.

50. And you cannot tell the Committee the number of sheep carried on the lands held on lease?—Well, as I tell you, for a large portion of the year there are no sheep carried on parts of the leasehold. It is impossible to give any direct evidence in a case like this, where you have to work the leasehold with freehold, and move the sheep from one to the other. And it is impossible to say how many sheep the pastoral country would carry by itself.

51. Well, you can form a pretty good estimate, could you not, of what freehold lands you have got. Taking a rough survey of the blocks, you can say roughly the amount of sheep to the acre?—Well, I can say this: that the hilly country worked by itself would not carry anything like the stock that it would if worked with the low country.

52. And it would carry about a sheep to three or three and a half acres?—Yes; that is a high estimate. But you cannot be sure about that, because, if there is a severe winter the high country will not carry anything like what it would if the winter was mild.

53. What quantity of the land is freehold and what leasehold, as contained in First Schedule?—This is all leasehold, I think.

54. The 388,788 acres is all leasehold?—Yes.

55. And do you include in your estimate of a sheep to three acres the whole of that land?—It is a rough estimate. Probably, in some years the land would not carry a sheep to five acres.

56. What do you say is the amount of land held by yourself?—About twenty or twenty-three thousand acres.

57. And at what do you estimate the sheep-carrying capacity of it?—About six or seven thousand.

58. Sheep?—Yes.

59. How many sheep have you on it?—Well, that is on this and other country. There are very few sheep on it now—probably seven or eight thousand.

60. Are the sheep on it your own?—No.

61. Who do they belong to?—To Messrs. Robert Campbell and Sons. I may explain, with regard to this land, that it was a piece of land adjoining the Galloway Run, leased in 1883. The Government decided not to sell the lease of it in 1882. The country is very rabbit, and the lease of that country was not sold and was not occupied. We were threatened with an inundation of rabbits from it; and it was of no use, while this land was unoccupied, trying to keep down the rabbits on the adjoining country; so Messrs. Campbell and Sons got permission to use it for the year simply for keeping the rabbits upon it down. At the end of that year the lease was put up to auction.

62. By whom?—By the Government. There were no buyers. I attended the sale, and I bought the country in my own name, because I thought I could make it pay, and in order to prevent what would otherwise have happened, and been a great evil to the surrounding country, in the shape of rabbits. I bought it, and since then I have made a temporary arrangement with Messrs. Campbell and Sons to pay me for it for grazing sheep.

63. You refer to the whole country?—This twenty thousand acres, yes. Had I not bought it, it would have been unoccupied.

64. What rent do you pay for it?—Well, between £500 and £600.

65. That is what you pay yourself?—Yes.
66. What are the terms for grazing of sheep?—There is no agreement between us, except that I am to be paid a profit on my rent.
67. Then, there is no contract or agreement—that is, they do not pay you so much an acre?—No. There is no written arrangement at all.
68. Well, but I suppose you keep some sort of account?—Yes.
69. In reference to this rent?—Yes.
70. And is it returned among the company's arrangements for the year?—Yes.
71. In what you have said—how does it appear in the company's accounts for the year?—It appears as rent paid me for this country for the year.
72. What is the exact amount?—Somewhere under £600. And the arrangement is terminable at a day's notice.
73. Practically, the company pay the rent, and a little over, to you?—They pay me the rent, and a little over—yes.
74. Could you state the exact amount paid you in rent?—I do not remember the exact amount.
75. What does it cost you for managing the land?—Well, I do not manage it. The sheep on it are managed by Messrs. Campbell and Sons.
76. Then, practically it costs you nothing for the management of the land?—I am under obligations as a pastoral tenant to keep down the rabbits, although I do not manage the land at present with my own stock. I am under obligations, the same as all pastoral tenants, in regard to taxation and other matters in regard to that piece of country.
77. And, beyond that amount, what country do you hold?—Some freehold. I hold a considerable amount in a different district.
78. Are you aware, as attorney for Messrs. Clifford, of the acreage of leasehold held by them?—If you will allow me to see the list I can tell you. [Looking at the list] Mr. Charles Clifford has 66,760 acres, and Mr. Walter Clifford 31,030 acres.
79. Now, are you aware whether the company has any arrangement with the Messrs. Clifford with regard to the agistment of sheep?—I am not aware of any, and I hold a power of attorney for the Messrs. Clifford. Messrs. Campbell and Sons are at present running sheep on the country.
80. You are not aware of any arrangement?—No. I have instructions from Messrs. Clifford that Campbells' sheep are to be allowed to run there.
81. And you are not to run them off as trespassers?—No.
82. Does it not strike you as being peculiar, Messrs. Campbell and Sons' sheep being allowed to run on another man's country without any arrangement?—I say I do not know of any arrangement. It does not strike me as being peculiar at all: it is done every day in all civilized countries. In the neighbourhood of Wellington, here, I suppose you can obtain a paddock for a horse if you pay for it.
83. But generally people know something about these things—what they are to pay, you know. We have not heard anything about the payments yet. Do you make out the sheep returns for Campbell and Sons?—No; they are made out by the station manager. I get copies of them.
84. Then you say distinctly that there is no arrangement for agistment of these sheep? You have not parted with any of your interest in that country?—Not the slightest.
85. *Mr. J. McKenzie.*] The authority to purchase on behalf of Messrs. Clifford came from London?—To purchase a run—yes.
86. When you purchased in your own name, was it your intention to settle on the country yourself?—I purchased it because there were no other buyers.
87. What was your intention at the time?—Well, I cannot give evidence as to my intentions. This happened three years ago. I am prepared to give evidence as to facts.
88. You did not purchase the Galloway Run for the purpose of allowing Messrs. Campbell to run their sheep on it?—No.
89. How much freehold have Messrs. Campbell got by these sales?—Not a great deal, as far as I know.
90. Messrs. Campbell and Sons have about seventy thousand acres in the neighbourhood of these lands?—Yes.
91. How much freehold at Galloway's?—Not very much. About seven or eight hundred acres.
92. And at Station Peak?—About thirty thousand acres.
93. At Otakeike?—About twenty thousand acres.
94. Then the sheep, you state, were grazing partly on leased country and partly on free hold at Station Peak and at Otakeike?—At both places, and on all R. Campbell and Sons' properties.
95. You state that there is not very much land at Galloway's?—Not very much.
96. Is that eight hundred acres superior to any of the country there?—It is the best country there.
97. The sheep returns show 69,000 on the Galloway Station?—Yes.
98. How many of this 69,000 are on the leasehold, seeing that you have not got nine hundred acres of freehold?—Well, there may be at times ten thousand on the freehold. During shearing-time there have been mobs of twelve thousand on the freehold.
99. Are you not bound to give a return of the sheep you keep on freehold and leasehold lands?—Well, you can estimate it roughly.
100. Were these 288,254 sheep for 1883, and 289,427 for 1884, given as on pastoral lands?—That is the whole number of sheep owned by Messrs. Campbell and Sons. It includes the sheep on both leasehold and freehold land.
101. That is the total number on leases, and on the University leases as well—the University lands at Burwood and Benmore?—Part of the land at Burwood is University land.
102. *Mr. Cowan.*] Were these payments of rent by Messrs. Clifford made by them to the

Government or through the books of Campbell and Sons?—One amount of rent—the first one—was paid from Messrs. Clifford through the Union Bank, and latterly it has been paid through Messrs. Campbell and Sons.

103. *Mr. Rolleston.*] Do you know the McKenzie clause?—I do.

104. Have you any statement to make as to the working of the clause—as to its effect generally on the sheep interest, and its general effect?—I can state pretty well the effect of it. In 1882, before the passing of the Act of 1882, there was a large sale of land at Otago, at which there was good competition. There was in many cases a rent paid which was over the upset price. Next year also there was a large sale of land, and at that sale there was very little competition. Some of the country was not bought at all, and was allowed to lie idle for a considerable time; and most of it that was sold only brought the upset price. As a fact I know that a large area of country to the westward of Otago was not occupied, partly on account of this and partly on account of the uncertainty of tenure the pastoral leases give; because that country is very rabbit, and requires a large amount of expenditure, and it would not pay any man to go to that expense. I believe a very great deal of that land could find occupiers if there were no restrictions.

105. Where?—From the Wakatipu to Mavora and to the westward. A very great deal of that unoccupied country has been a source of expense to the Government, who have had to keep the rabbits down—or make a pretence of keeping them down. Messrs. Campbell and Sons have been paid a good deal for keeping the rabbits down in the neighbourhood of Burwood.

106. Can you give the sum approximately?—The year before last £500 was paid in this way, and £100 last year, and for the present year an arrangement has not yet been made. I have not the least doubt but that this clause has had the effect of damaging the revenue from pastoral leases to a very great extent.

107. Has it had the effect of increasing the number of occupants?—I do not think so. I cannot say positively. Most of the high country would never do for anything but merino sheep, and the number of people who would take up that country is therefore limited. A great deal of it can only be worked in large blocks—summer and winter worked together.

108. *Mr. Fulton.*] In describing this country I understand you to mean the country which in the winter is unfit for keeping sheep?—Yes; the sheep must be cleared off in May.

109. In consequence of the snow?—Yes.

110. *Mr. Smith.*] Do you not consider that this McKenzie clause of the Act has been broken—as to the arrangements with Messrs. Campbell and Sons, for instance?—I cannot pretend to understand this clause. If you were to look into the meaning of it you would find it very difficult to understand. I question whether the reputed author of the clause understands it.

111. But that is not the question. The question is whether you think it has been broken?—I am not going to give an opinion on that.

112. Do you not think you were breaking it yourself when you allowed Messrs. Campbell and Sons to run sheep on these lands?—Certainly not. Had I thought so, sir, I should not have done it.

113. *Mr. J. McKenzie.*] You state that the year after the passing of the Act of 1882, at a sale of land in Dunedin there was not much competition?—No, there was not.

114. And you attribute that to the McKenzie clause?—Partly.

115. Do you not think the rabbits had something to do with it?—No; the rabbits were as bad in 1882 as in 1883. Probably the worst year of all was 1878.

116. That may have been so in the southern portion of Otago?—No; central.

117. There was no competition for these lands you purchased for Messrs. Clifford?—No.

118. And you got them at the upset price?—Yes.

119. You say the effect of the clause was not to increase the number of occupiers?—I can only give my opinion. I do not think it did.

120. Has it not increased the occupancy in the case of Messrs. Campbell and Sons?—Yes.

121. And might it not have the same effect in other cases?—Possibly.

