

68. *Hon. Mr. Rolleston.*] Where is this run?—It is in the Queenstown District, between Cromwell and Queenstown.

69. *The Chairman.*] What is the area altogether?—About 106,000 acres. There have been no surplus sheep for sale. We have had to purchase sheep to keep up our stock. For several years, in fact, we have had to purchase sheep. The increase at lambing, which we had before the rabbit pest came, was 70 per cent.; during the last five years, since we have had the rabbit pest, the average increase has been 43 per cent. The death rate, which was formerly $3\frac{1}{2}$, is now $10\frac{1}{2}$. The rabbits have reduced the weight of wool by $1\frac{1}{2}$ to $1\frac{1}{2}$ lbs. per fleece, besides depreciating it by 1d. per lb. It can be well understood that when sheep have poor grass in a bare country the quality of the wool is not nearly so good as when they are well fed, having a good run of grass to go over. We find that the wool is depreciated intrinsically, in addition to the lower price we are getting in the market. The cost of killing rabbits for the year ending 31st March, 1885, was £3,394, and for the year 1886, £3,699. I may mention, with reference to killing rabbits, that all last summer we kept a large staff of men to keep the rabbits down during the summer time when they are breeding. By that means we have been able to keep them under. We were, in consequence, enabled to buy some additional stock, as the grass was a little better. But it cost a great deal of money. Rabbit-skins taken in the summer are of little value, being 4d. or 6d., as compared with 1s. 2d. per lb. obtained for winter skins. The rabbit-skins collected in the year 1884-5 were 240,675, and in 1885-6, 283,826. A great many rabbits are poisoned and never seen; the skins are, therefore, not collected. There were, therefore, a much larger number actually killed, perhaps half a million altogether. Rabbit-skins have decreased in value, according to account-sales, from 10d. to 1s. per lb. during the last two years. They formerly got up as high as 2s. and 2s. 2d., but now for the best winter skins we have been getting in the London market only 1s. 3d. and 1s. 4d. per pound. That of course makes a very great difference. The average profit on working the run for four years ending the 31st March, 1884, was £1,980, or about 7 per cent. on the capital invested.

70. *Mr. Macandrew.*] That is for the years 1881, 1882, 1883, and 1884?—Yes. For the year ending 31st March, 1885, the profit was £248; and for the year ending 31st March, 1886, there was a loss of £1,157, without taking into account any fall in the value of sheep. The sheep are valued in the books at the same price this year as they have been for several years back. Of course, if we were to take into consideration the fall that has been in sheep the loss would be very much heavier; but we keep them at the average price for valuation purposes.

71. *The Chairman.*] That is without interest?—Without interest; there is no interest whatever added to the account.

72. Nor to profits?—No interest whatever.

73. *Mr. McKenzie.*] When did these parties get the last lease to purchase: in 1882?—No, it was in 1883; I think it was the second sale. I think it was in 1883 it was put up.

74. You stated that they had it for some £900 odd?—Yes.

75. What was the previous rent?—I cannot say.

76. But they gave a larger rent than was given before by other people. This is the first year you have had a loss. Last year you had a profit of £248, and the four previous years you made 7 per cent. on the capital invested. If wool were 2d. higher, would you not come out right with a profit?—We would have a small profit. I may mention that the loss would still be more, because it is not probable that when it was sent Home it would realize the full price you mention.

77. You have no separate stock?—No; last year we bought stock to put on.

78. *Hon. Mr. Rolleston.*] Was this bought with the other different sections?—Yes.

79. How did that affect the sale?—It was run up very much. One man ran it up to double the value put on it.

80. *Mr. McKenzie.*] This is not a part of the New Zealand and Australian Land Company's Runs?—No; it is worked by Messrs. Stewart and Melvin.

81. *Mr. McMillan.*] But it formerly belonged to the New Zealand and Australian Land Company. How much capital does it represent?—Over £25,000 in it now, perhaps £30,000.

82. *Mr. Fulton.*] You have not taken interest into consideration?—No.

83. *Mr. Lake.*] Freehold?—No freehold except—

84. *The Chairman.*] Who bought for or acted for the lessees?—I acted for them in 1883.

85. What is the proportion of low country?—It is fairly good.

86. Were the subdivisions in fair proportion?—No; there were two that were much higher country, and could not have been worked by themselves very well.

87. Did they not go at a lower price?—Yes.

88. That did not prejudice the others. Wherever the subdivision had not an amount of summer it went at a proportionately less price?—Yes; but as a rule we had to pay higher for runs that had winter country—a good deal. Unless we got low country, the high country would have been no use to us.

89. Then, as I understand you, there was a faulty subdivision?—Yes.

90. *Hon. Mr. Rolleston.*] Would not that depend upon which went up first?—Unfortunately the high country went up first.

91. *Mr. Brown.*] Do these tenants reside in New Zealand?—No.

92. Have they ever been in New Zealand?—One of them.

93. This was formerly the property of the New Zealand and Australian Land Company?—Yes.

94. They sold to these tenants; or, rather, they purchased by their attorney, that is yourself?—Yes.

95. *Mr. Cowan.*] Are the results you have mentioned, as regards the rabbit pest, exceptionally bad?—I may mention that, in regard to all the runs that I have had anything to do with, we have kept the rabbits under control better than most of our neighbours. When the rabbit question first arose I saw that it was going to be a difficult thing, and a dangerous thing, and I notified to my run-