

520. Have you any opinion as to the position of the tenants in this particular case?—In this case it was to their advantage. I have seen all their names, and I do not think that any of them are affected prejudicially by the subdivision. I think it was the State that was affected. There would have been higher rents, I believe, if the country had been subdivided and offered as Mr. Arthur and myself recommended. That is only my opinion, of course.

521. *Hon. Mr. Rolleston.*] As the law stood, the Government had no possibility of doing otherwise?—The Government might have refused its sanction; but time is always an element in these matters. The time was approaching, and close up, when the sale had to be announced to the public. The Land Board had decided views on the subject of not offering a large area of country in one run. Refusal was talked of at the time, I remember; but the conclusion was arrived at that the Land Board had better take the responsibility, and let the thing go to the public.

*Mr. McKenzie:* The elections were then pending.

522. *Hon. Mr. Rolleston.*] There was a tendency to postpone the whole thing until after the elections?—Yes; there were various representations to that effect in favour of delay.

523. *Mr. McKenzie.*] The elections were in December, and the runs were sold in March, 1882?—The newly elected members met in Dunedin, at the request of some people, to postpone it.

524. *Mr. Lake.*] Is it possible to subdivide this country as proposed—that is, that there may not be more than 5,000 acres in a run, having regard to the features of the country?—It is quite impossible in this country I have been speaking of.

525. You say you think there would have been more competition had the original subdivision been adhered to?—Yes.

526. Do you mean *bonâ fide* competition, for we have it in evidence that there was competition, but that it was not what is known as *bonâ fide*?—That was caused by the sections being put up not consecutively, the consequence being that a man who bought a piece of summer country, for instance, was compelled to give a price for another piece containing winter country. There are some of the runs that are entirely summer country. It was not possible to put in winter country, which has been made freehold.

527. Then, in your opinion, it is not desirable to have a hard and fast rule that a run should contain 5,000 acres?—No, it is not.

528. *Mr. Bruce.*] What was the carrying capacity of each run, having reference to the natural boundaries?—I did not go into that question; every run has its own peculiar character. What we did was simply to divide the country so that each run would be workable and worked within its own limits. But you might get near it in this way: there are 6,000,000 acres now let in Otago and Southland. The total number of sheep on that area, according to Mr. Bailey, is 1,620,000; that gives one sheep to a little less than four acres.

529. I put the question to you, as to the average in this country, so as to elicit from you what ought to be the size of runs—that is, how small they could be made, conveniently with the public good?—In most of the country, say 30 or 40 miles from the coast, runs may be divided into any area you wish, from 2,000 up to 6,000 acres; further back, and as the mountains get higher towards the great western ranges, and as you approach to the Lindis country, a run would require to have from 40,000 to 50,000 acres, and in some cases even more. There is a run of 70,000 acres, which the Department recommended should be let as before to one person; but the Land Board thought they could improve on that, and put it into two or three.

530. *Mr. McKenzie.*] Is that the Landslip?—Yes; they thought they could put it up in two or three divisions. There was no offer for it for two years at all. They then offered it as originally recommended by the Department.

531. *Mr. Bruce.*] I wish to put another question to you with reference to the competition. Under the conditions that then existed there would not be much competition, but as you endeavoured to constitute the runs you admit that among *bonâ fide* bidders there must have been a good deal of bidding in the dark for these alternate sections, which led to people giving more than they would otherwise have given?—I do not think there could be any bidding in the dark. It was well-known country. It was not like bush land.

532. Does it not appear to you that as they were bidding for these alternate sections, which was rendered necessary to get a run, this circumstance led many to give more than the real value warranted?—I do not think that was the case, especially in some of the highest country. It was this that really deterred many people from bidding, for except to those who already had the run, or persons who knew very little of the country, it must have seemed risky to bid at all.

533. *Mr. McKenzie.*] Your opinion with regard to the size of a run is that it depends entirely on the nature of the country. The Deepdell country, for instance: could that be divided into runs of 5,000 acres?—It could be, as it is safe winter country; the highest point is about 2,600 feet, on the top of Highlay Hill, and that is much above the general level of the country.

534. The Shag country—is that a warm country?—Yes, it is a perfectly safe country.

535. *The Chairman.*] It is stated that a good deal of the hardship that was inflicted at the time of bidding was on account of the auction system; some witnesses have said that the tender system would have enabled them to get what they wanted, and would have been more satisfactory; is that the opinion you have formed of the system adopted then?—No. I think the auction is on the whole the fairest; it has its drawbacks, but it is fairer than tender in the matter of runs; people who go in for runs are not supposed to be carried away by excitement; they are mostly men of education and capital, who have made up their minds what they can afford to pay before going to auction.

536. Then you do not think that tender would have provided better for the sale of the subdivisions, so far as the buyers were concerned?—No, I think not.

537. *Hon. Mr. Rolleston.*] It was stated that the fact that no one knew the improvements put upon the runs tended to prejudice the existing holders?—I cannot see that at all, because the law provides that no improvements shall be allowed for more than three years of the former rental. The amount pay-