

capped with the annual charge for rabbit-destruction. At present the rental derived from Crown lands on pastoral lease, which include all pastoral and agricultural lands already detailed, amounts in round numbers, to about £25,000 a year.

2. *Mr. McMillan.*] Is that within fifteen miles of the railway?—Yes; I have marked the fifteen-miles limit on a map which I have brought with me. It is true it is upon a small scale, but it shows the limit pretty well.

3. *Mr. Pyke.*] Would Mr. McKerrow state whether, in one direction, there is any outlet at all to the country west of the Dunstan?—The Clyde Township is the gateway into all that country. All traffic must go through the gorge at the end of the Dunstan Mountains through which the Clutha River flows. The road up the gorge runs for thirteen miles along the sidelings and flats, and then opens out into the plain at Cromwell.

4. *The Chairman.*] No outlet at all?—Yes; by the Haast Pass to the West Coast.

5. *Mr. Whyte.*] The whole rental, you say, is £25,000?—Yes.

6. *Mr. Cowan.*] There is a provision in the Bill, is there not, that the projecting company shall have the alternate choice of blocks?—Yes.

7. The shape of the blocks is specified?—Yes; the blocks are specified not to exceed one mile frontage to the line: fifteen miles is the limit on either side.

8. *The Chairman.*] Will you state, if you please, what will be the effect of that?—I think it is a very absurd arrangement, and will not be at all workable.

9. Will you give the Committee, a little more specifically, your opinion as to the effect on Government land of this limit, and the manner of laying off these frontages?—I think it will not work, having one mile frontage by fifteen miles depth. The difficulty of working such a long strip of mountain land will be almost insurmountable, for it would mean great lumps of mountain and scraps of valleys in each block; it will be, in my opinion, quite unworkable. As to the effect it will have on Government land, if carried out to the letter it will render the land comparatively worthless, by depreciating its value both to the company and the Government. The features of the country are altogether too large for that method of cutting up. If it were a level plain it might do. I should suggest, if alternate blocks are to be given, that the frontage should not be more than half the depth. In that way you will get suitable blocks which can be worked advantageously to the Government and to the company. Having regard to the natural boundaries, sometimes the breadth of blocks might be only one-third the depth. I would lay it down as a principle that the blocks should not be more than half frontage to total depth. In some parts of this country it would be wise to vary the sizes. A similar provision is in the Midland Railway Bill. I went into the whole matter with Mr. Allan Scott in valuing the lands reserved for that railway. We found that the mile frontage was quite impracticable in mountainous country.

10. *Mr. Cowan.*] Have you considered the question from the point of view of opening up the district for settlement: whether it is advisable it should be given up for these purposes?—That is a question of policy which I cannot answer. I have of course an opinion; but if the Committee will ask for facts I shall endeavour to give every information.

11. *Mr. Whyte.*] What is the cost per mile?

*Mr. Pyke.*] £5,250 per mile.

12. *Mr. Whyte.*] Will it exhaust more than half that land?

*Mr. Pyke.*] You mean what will be the proportion per mile?—About one-third.

13. *Mr. Whyte.*] According to that it will take one-fifth of the country?—On the assumption that the railway is to be made at a cost of £5,250 per mile, and that one-third is to be given in land, the total distance being 110 miles, it follows that the company will get £192,500 of value.

If you say £200,000, that will be near enough. Then the total value of the estate?—I have stated it at £1,000,000. Being let at £25,000, there would be, according to your showing, a loss to the revenue of about £5,000?—Yes; it would depend on how it was selected.

14. What is the present cost of rabbit-extermination?—I cannot just now state it in figures, but the pest has had the effect of ruining several of our best tenants—men who were in good position; ruining them absolutely.

15. That shows that the rental is too high?—If the country were again offered for lease to-morrow I think the revenue from it would be less than £25,000.

16. *The Chairman.*] Do you see any difficulty in the practical working of sub-clause 8 to clause 8?—No; I think there is no difficulty at all. It is a very good provision; but it is a provision that will rather tend to minimize the pecuniary advantage to the company: in other words, if the company were free to deal with the land, they could realize more money from it by sale than by leasing it, to be offered on the settlement conditions of the Land Act.

17. *Mr. Bruce.*] In the event of the line being made, will its tendency be, through a greater amount of settlement, to minimize the danger from rabbit-pest?—I do not think the railway will have the slightest effect on the pest.

18. Not when the district becomes thickly populated?—No; I do not think it will do much in that way; it will, of course, tend a little to increase population. I have been thinking that out, and I come to the conclusion that it will have no perceptible effect upon the rabbit-pest. I have already said that the land is not of very good quality. At present prices I do not think it would pay to grow wheat and oats there for exportation. The amount of produce would be, as now, confined to the local supply, the local market being chiefly the diggers and a few mining townships. I do not think if the railway were there to-morrow it would make much difference. It is likely that the mining industry, which is the real industry of the district, would get a little stimulus, for the miners use a good deal of timber and other material, which is brought from Dunedin, and now costs a good deal per ton when it gets up there. The railway would therefore be an advantage to the mining community, and possibly quartz-reefs which are not at present worked will be worked when the cost of the carriage of material shall have been reduced. But as to the development of the