

1890.  
NEW ZEALAND.

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# D U M M Y I S M

(REPORT OF THE WASTE LANDS COMMITTEE ON THE SUBJECT OF), TOGETHER WITH MINUTES  
OF EVIDENCE AND APPENDIX.

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*Report brought up 2nd September, and ordered to be printed.*

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## ORDER OF REFERENCE.

*Extract from the Journals of the House of Representatives.*

FRIDAY, THE 4TH DAY OF JULY, 1890.

*Resolved*, "That, allegations having been made that dummyism has taken place in regard to the selection of land in the Canterbury District and elsewhere, it be an instruction to the Waste Lands Committee to inquire into and report as early as possible upon the truth of such allegations, and what steps, if any, ought to be taken in regard to such dummyism, if it exists."—(Hon. Mr. HISLOP.)

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## REPORT.

THE Waste Lands Committee have the honour to report that the evidence adduced before them during the dummyism inquiry having shown conclusively that the Land Acts have been in a number of instances evaded by false declarations, made with a view to dummying, the Committee is of opinion that it is the duty of the Government to take steps to enforce the law; and recommend that offenders against whom a charge will lie be prosecuted, with a view to the putting a stop to the like practices in the future.

JAMES FULTON,  
Chairman.

2nd September, 1890.

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## MINUTES OF PROCEEDINGS.

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THURSDAY, 10TH JULY, 1890.

*Present*: Hon. Mr. Ballance, Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Ormond, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson, Mr. Whyte.

Minutes of previous meeting read and confirmed.

Mr. Fulton, Chairman of the Committee, was absent owing to illness.

On motion of the Hon. Mr. Richardson, Mr. Whyte was unanimously elected to act as Chairman.

Order of reference, instructing the Committee to inquire into and report upon the allegations that dummyism exists at land-sales in the colony, read.

The Committee entered upon the inquiry.

On motion of Mr. McKenzie, *Resolved*, That the evidence given at the inquiry should be taken down by a shorthand-reporter.

Mr. J. Maitland, Commissioner of Crown Lands, Otago, was then examined, and his evidence taken down.

A letter to the Committee from Major Steward, M.H.R., giving the names of witnesses whom he suggested should be examined on the subject of dummyism was read.

*Resolved*, That the consideration of the letter should be adjourned till after the Committee had heard the evidence of the Commissioner of Crown Lands for Canterbury.

On motion of Mr. McKenzie, *Resolved*, That the evidence of Sir Robert Stout should be taken at the next meeting of the Committee.

The Committee then adjourned.

#### FRIDAY, 11TH JULY, 1890.

The Committee met pursuant to notice.

*Present*: Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Ormond, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson.

Mr. Thompson was voted to the chair.

Minutes of previous meeting read and confirmed.

The Committee continued their inquiry respecting dummyism.

Mr. Baker, Commissioner of Crown Lands, Canterbury, was present, and gave evidence, which was taken down.

Major Steward, M.H.R., and Mr. W. P. Reeves, M.H.R., attended, and examined the witnesses.

On motion of Mr. Smith, *Resolved*, That a report be obtained from the Commissioner of Crown Lands for Hawke's Bay, giving particulars as to a section at Woodville, which section at the ballot was drawn by Mr. Sowry, and afterwards forfeited by that gentleman.

On motion of Mr. McKenzie, *Resolved*, That all papers in the Crown Lands Office in connection with the Waitahuna West (Run 106) dummy cases be laid before the Committee.

The Committee then adjourned.

#### THURSDAY, 17TH JULY, 1890.

The Committee met pursuant to notice.

*Present*: Mr. Fulton (Chairman), Hon. Mr. Ballance, Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Ormond, Mr. Rhodes, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson, Mr. Whyte.

Mr. Fulton, Chairman of the Committee, took the chair.

Minutes of previous meeting read and confirmed.

The Committee continued their inquiry into dummyism.

A reply from the Under-Secretary, Crown Lands Department, to the resolutions carried by the Committee on the 11th instant was read.

On motion of Mr. McKenzie, *Resolved*, That the Chairman inspect the papers in connection with Run 106, Otago, and report to the Committee if it is necessary to have the papers before the Committee.

On motion of Mr. Smith, *Resolved*, That the Commissioner of Crown Lands, Wellington, be summoned to give evidence before the Committee on the subject of dummyism.

On motion of Mr. Smith, *Resolved*, That a report be obtained from the Commissioner of Crown Lands for Hawke's Bay on the case of Section 1, Block XIV., Woodville, drawn by Mr. J. Sowry. Report to show number of persons who applied for this section, number of persons who were stated to be ineligible, and the Board's decision and remarks on the matter; also all other particulars as to whether this was not a case of dummyism on a large scale.

Copies of reports from the several Commissioners of Crown Lands for the colony on the subject of dummyism were read.

A letter from Mr. A. C. Fooks, New Plymouth, on the subject of dummyism, was also read.

On motion of the Chairman, *Resolved*, That the evidence taken at the inquiry should be printed.

On motion of Mr. McKenzie, *Resolved*, That the reports from the Commissioners of Crown Lands for the colony should also be printed.

On motion of Mr. McKenzie, *Resolved*, That the Committee apply for the names of the original purchasers of sections in Blocks VII., XI., and XV., Benger Survey District, the date of sale, and the names of the persons to whom any sections in such blocks have since been transferred, and when such transfers were granted.

The Committee then adjourned.

#### TUESDAY, 22ND JULY, 1890.

The Committee met pursuant to notice.

*Present*: Mr. Fulton (Chairman), Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Rhodes, Hon. Mr. Richardson, Mr. Saunders, Mr. Smith, Mr. Thompson, Mr. Whyte.

Minutes of previous meeting read and confirmed.

The Chairman informed the Committee that, in accordance with the resolution adopted by them on the 17th July last, he had inspected the papers in connection with Run 106, Otago, and that he (Mr. Fulton) considered them of a confidential nature, and such as should not be made public.

The Committee then adjourned.

FRIDAY, 25TH JULY, 1890.

The Committee met pursuant to notice.

*Present* : Mr. Fulton (Chairman), Mr. Cowan, Mr. McKenzie, Mr. Rhodes, Hon. Mr. Richardson, Mr. Reeves, Mr. Saunders, Mr. Smith, Mr. Whyte.

Minutes of previous meeting were read and confirmed.

Order of reference read, appointing Mr. W. P. Reeves a member of the Committee.

The Committee then continued their inquiry respecting dummyism.

Mr. Marchant, Commissioner of Crown Lands in the Wellington District, attended and gave evidence, which was taken down.

Mr. Marchant handed in, for the information of the Committee, a copy of a report received from the Surveyor-General of Victoria on the subject of preventing dummyism at land sales.

The Committee then adjourned.

FRIDAY, 8TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present* : Mr. Fulton (Chairman), Mr. Cowan, Mr. McKenzie, Mr. Reeves, Mr. Rhodes, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson.

Minutes of previous meeting read and confirmed.

The Committee then took up the consideration of dummyism.

The Chairman read a report on dummyism from the Commissioner of Crown Lands for Napier.

Mr. Brown, M.H.R., attended, and proposed to give evidence on dummyism before the Committee.

*Resolved*, That the evidence of Mr. Brown be taken on Monday next, and that it be taken down by a shorthand-reporter.

On motion of Mr. McKenzie, *Resolved*, That steps be taken to summon the necessary witnesses to give evidence before the Committee on dummyism.

*Resolved*, That the Chairman obtain from Major Steward, M.H.R., Mr. Rhodes, M.H.R., Mr. Brown, M.H.R., and Mr. Smith, M.H.R., the names of witnesses who they consider can give evidence on dummyism.

*Resolved*, That the Chairman telegraph to the Commissioner of Crown Lands, Napier, asking him for names of witnesses who can give evidence on dummyism.

A letter from Major Steward to the Chairman was read.

The Committee then adjourned.

MONDAY, 11TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present* : Mr. Fulton (Chairman), Mr. Cowan, Mr. Reeves, Mr. Rhodes, Hon. Mr. Richardson, Mr. Saunders, Mr. Smith, Mr. Thompson.

Minutes of previous meeting read and confirmed.

The Committee resumed the inquiry relative to dummyism.

Copy of telegram from the Chairman to the Commissioner of Crown Lands, Napier, and his reply thereto, read.

The Chairman informed the Committee that he had summoned Messrs. Kennedy and Weber, of Napier, to give evidence, and telegrams relative to their attendance were read.

Mr. Brown, M.H.R., attended, and gave evidence, which was taken down.

Mr. Thomas Brydone, Manager of the Australian and New Zealand Land Company, attended, and gave evidence as to dummyism.

The evidence of this witness was also taken down.

The Committee then adjourned.

WEDNESDAY, 13TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present* : Mr. Fulton (Chairman), Hon. Mr. Ballance, Mr. Cowan, Mr. Kerr, Mr. Ormond, Mr. Rhodes, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson.

Minutes of previous meeting read and confirmed.

The Committee took up the consideration of dummyism.

Gustave Herman Weber, mercantile clerk, attended and gave evidence, which was taken down.

Alexander F. Kennedy, accountant, Napier, attended and gave evidence, which was taken down.

On motion of Mr. Smith, *Resolved*, That a report be obtained from the Commissioner of Crown Lands, Wellington, setting forth full particulars of the transfer of Section 77, Block XIV., Mangahao, from Miss M. V. E. McArdle to M. W. T. Shute, as granted by the Wellington Land Board on Thursday, the 31st July last; also what improvements have been effected upon Section 77, and what other transfers were refused by the Wellington Board on same day.

The Committee then adjourned.

TUESDAY, 19TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present* : Mr. Fulton (Chairman), Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Rhodes, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson.

Minutes of previous meeting read and confirmed.

On motion of Mr. McKenzie, *Resolved*, That the Chairman request Mr. Brown, M.H.R., to select two or three witnesses from the list of names supplied to the Chairman by that gentleman in his letter of the 14th August last, and that those witnesses be summoned before the Committee to give evidence on the subject of dummyism.

Messrs. J. D. Climie, surveyor, and Mr. W. W. Bodmin were examined before the Committee, and their evidence taken down.

The Committee then adjourned.

FRIDAY, 22ND AUGUST, 1890.

The Committee met pursuant to notice.

*Present* : Mr. Fulton (Chairman), Hon. Mr. Ballance, Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Ormond, Mr. Smith, Mr. Thompson, Mr. Whyte.

The Committee then took up the consideration of dummyism.

The Chairman suggested that the Committee should make an interim report.

Mr. Ormond moved, That the interim report of the Committee should be as follows : That, in the opinion of the Committee, the present provisions of the Land Act have led to evasions, and that therefore some amendments are urgently required.

Mr. McKenzie moved, as an amendment (No. 1), That the following sentence be embodied in the report : That the amendments made by the present Minister of Lands in the Land Act have led to evasions, and the Act now requires to be re-amended.

The Committee divided upon the amendment, and their names were taken down, with the following result :—

*Aye*, 1.—Mr. McKenzie.

*Noes*, 7.—Hon. Mr. Ballance, Mr. Cowan, Mr. Kerr, Mr. Ormond, Mr. Smith, Mr. Thompson, Mr. Whyte.

The amendment was negatived.

Mr. Smith moved, as an amendment (No. 2), That the following words be inserted in the report after the word "evasions:" "and false declarations."

The Committee divided upon the amendment, and their names were taken down as follows :—

*Ayes*, 4.—Mr. Kerr, Mr. McKenzie, Mr. Smith, Mr. Thompson.

*Noes*, 4.—Hon. Mr. Ballance, Mr. Cowan, Mr. Ormond, Mr. Whyte.

The voting being equal, the Chairman gave his casting-vote against the amendment.

The amendment was negatived.

The original motion was then put to the Committee, and agreed to on the voices.

*Resolved*, That the report, as drafted, be presented to the House this day.

The Committee then adjourned.

TUESDAY, 26TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present* : Mr. Fulton (Chairman), Hon. Mr. Ballance, Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Ormond, Hon. Mr. Richardson, Mr. Saunders, Mr. Smith, Mr. Thompson, Mr. Whyte.

The Committee took up the consideration of dummyism.

Two witnesses—Messrs. Low and Gilliand—being in attendance for examination, Mr. Cowan moved, That the witness Gilliand be examined, but that his evidence be not taken down.

Mr. McKenzie moved, as an amendment, That Mr. Gilliand be examined, and his evidence taken down, and that after hearing it the Committee should decide whether they would have it printed.

The Hon. Mr. Richardson moved, That, in the event of Mr. Gilliand's evidence being taken down, the members of the Committee should be specially notified of the day on which the Committee will meet to decide whether the evidence of that witness shall be printed or not.

The latter motion being agreed to, the previous motion and the amendment thereto were withdrawn by their respective movers.

Messrs. Robert Low and John Gilliand then gave evidence on oath before the Committee, which was taken down.

The Committee then adjourned to the following day for the further examination of Mr. Gilliand.

WEDNESDAY, 27TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present* : Mr. Fulton (Chairman), Hon. Mr. Ballance, Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Ormond, Mr. Reeves, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson, Mr. Whyte.

The Committee took up consideration of the subject of dummyism.

Mr. Cowan moved, That the Committee do not proceed further with the evidence of the witness, Mr. John Gilliand, on the ground that, on the previous day, when witness was giving evidence before the Committee, he admitted he had given false evidence before the Otago Land Board on the same subject.

The Committee divided on the motion, and the names were taken down, with the following result:—

*Ayes*, 1.—Mr. Cowan.

*Noes*, 8.—Mr. Kerr, Mr. McKenzie, Mr. Ormond, Mr. Reeves, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson, Mr. Whyte.

The motion was negatived.

The examination of Mr. John Gilliland was then resumed, and his evidence taken down.

The Hon. Mr. Richardson handed in a communication from Messrs. Harriss and Troup, suggesting that certain residents in Woodville should be summoned to give evidence.

On motion of Mr. Smith, *Resolved*, That the following witnesses be summoned to give evidence before the Committee on Friday next: Mr. A. Peebles, sen., Mr. A. Peebles, jun., Mr. J. Sowry, Mr. James Morgan, Mr. Edward A. Haggan.

The Committee then adjourned to the following day.

#### THURSDAY, 28TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present*: Mr. J. Fulton (Chairman), Mr. Cowan, Mr. Kerr, Mr. Mackenzie, Mr. Rhodes, Mr. Saunders, Mr. Smith.

On motion of Mr. Smith, *Resolved*, That Mr. Rowe-Fennell, of Woodville, be resummoned to give evidence before the Committee on dummyism.

The Committee then took up the consideration of dummyism.

Mr. Robert Lowe was re-examined before the Committee, and his evidence taken down.

The Committee then adjourned.

#### FRIDAY, 29TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present*: Mr. Fulton (Chairman), Hon. Mr. Ballance, Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Ormond, Mr. Rhodes, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson, Mr. Whyte.

A letter from Mr. C. B. Morrison, solicitor, Wellington, asking permission from the Chairman to attend before the Committee on behalf of Mr. J. Sowry, a witness summoned to give evidence on the subject of dummyism, was read.

*Resolved*, That the Committee decline to hear Mr. Morrison, and refuse his request to be present at the inquiry.

Mr. Troup made application that he be allowed to remain in the Committee-room during the examination of witnesses.

*Resolved*, That Mr. Troup's application be refused.

The Committee then took up the examination of witnesses relative to alleged dummyism at a sale of Section 1, Block XIV., Woodville.

The following witnesses were then examined on oath before the Committee, and their evidence taken down: Mr. A. Peebles, sen., Mr. A. Peebles, jun., Mr. J. Sowry, Mr. Rowe-Fennell, Mr. J. Morgan, Mr. E. A. Haggan.

On motion of Mr. Smith, seconded by Mr. McKenzie, *Resolved*, That in the case of Section 1, Block XIV., Woodville, drawn by Joseph Sowry at the land sale in Napier, in November last, the Hon. the Minister of Lands be recommended to hold an inquiry into the matter as provided by the Land Act, and also, if necessary, to take action in a Court of law.

The Committee then adjourned.

#### TUESDAY, 2ND SEPTEMBER, 1890.

The Committee met pursuant to notice.

*Present*: Mr. Fulton (Chairman), Hon. Mr. Ballance, Mr. Cowan, Mr. Kerr, Mr. McKenzie, Mr. Ormond, Mr. Rhodes, Hon. Mr. Richardson, Mr. Smith, Mr. Thompson.

The Committee took up the consideration of dummyism.

On motion of Mr. Smith, *Resolved*, That the report of the Commissioner of Crown Lands, dated Napier, 18th July, 1890, should be printed along with the evidence.

On motion of Mr. McKenzie, seconded by Mr. Rhodes, *Resolved*, That the following be the report of the Committee on the subject of dummyism: "That the evidence adduced before this Committee during the dummyism inquiry having shown conclusively that the Land Acts have been in a number of instances evaded by false declarations made with a view to dummying, the Committee is of opinion that it is the duty of the Government to take steps to enforce the law, and recommend that offenders against whom a charge will lie be prosecuted, with a view to the putting a stop to the like practice in the future."

Mr. McKenzie moved, That the evidence of Messrs. Low and Gilliland, which had been taken, should be printed along with the rest of the evidence on dummyism.

The Committee divided on the motion, and their names were taken down, with the following result:—

*Ayes*, 3.—Hon. Mr. Ballance, Mr. McKenzie, Mr. Smith.

*Noes*, 6.—Mr. Cowan, Mr. Kerr, Mr. Ormond, Mr. Rhodes, Hon. Mr. Richardson, Mr. Thompson.

The motion was negatived, and the evidence ordered not to be printed.

## MINUTES OF EVIDENCE.

THURSDAY, 10th JULY, 1890. (Mr. WHYTE, Acting-Chairman.)

Mr. JAMES P. MAITLAND, Commissioner of Crown Lands, Otago District, examined.

1. *The Chairman.*] Will you kindly tell us what you have ascertained, in the course of your Commissionership, regarding what is going on of the nature of dummyism in the Provincial District of Otago?—Do you wish me to tell you what is going on at the present time in the way of dummyism in Otago?

2. Yes, under the existing law. There are various Acts. What is your experience as to the operation of these Acts as a whole?—The cases of dummyism that have come to the front, and been dealt with by the Land Board of Otago, were under Acts passed prior to the Act of 1885. I am not aware of any action on the part of the Land Board in connection with dummyism since the Act of 1885 has been in force. Of course, I do not mean to say that dummyism did not exist after the Act of 1885, and may not exist in some instances, possibly, at present in connection with lands which have been acquired under the Act of 1885, and previous to a change in the law. But, as far as I remember, no cases of dummyism under the Act of 1885 ever came under the official notice of the Land Board and were dealt with as such. That, of course, is a very general statement, but I cannot make anything but a general statement without specific questions.

3. Can you not tell us whether there are any cases of dummyism going on at present under the existing law?—Unless a case has been brought under the official notice of the Land Board, and been considered and dealt with, it does not come within my knowledge. Cases may possibly exist: I am not prepared to deny their existence; but I would not be prepared to say dummyism existed in any case until brought under my official notice, and it had been brought before the Board and investigated.

4. You can state your opinion as to how the law is operating, and how it has been evaded?—I have been speaking of the Act of 1885.

5. The Committee would like to know how the existing law is operating, and how it has been evaded?—Settlement may be said to be now going on under the Act of 1887. That Act introduced an alternative choice of systems, and provided that land may be taken up for cash, deferred payment, or perpetual lease. The applicant has the option of taking up the land under any of these three systems. Applications coming in for the same land on the same day are considered as simultaneous in connection with surveyed land, and have to be balloted for. There is no preference given as to applications made under the three systems mentioned, but all have to go alike to ballot. The fact that all simultaneous applications for the same land have to go to ballot has induced applicants in many cases to get members of their families to put in applications for the same land as perhaps the head of the family was applying for, in order that they might have more chances at the ballot. This, of course, strictly speaking, might be called "dummyism;" it might be called "family dummyism" perhaps. Of course, the applications for the land were not made for speculation, or to prevent the land coming into use for *bona fide* occupation, but quite the contrary; the object is to try and insure the obtaining of the land for *bona fide* occupation. The applications I have described are greatly caused from the fact of many blocks in Otago having been surveyed lying adjacent or contiguous to old settlement-blocks which have been occupied for many years, and in which the settlers were extremely anxious to add to their holdings. The block that was opened being perhaps the only chance they might ever have of adding to their holdings, they were naturally extremely anxious to have as good a chance as possible of getting the sections they wished; and that induced them to do what I have described. That is almost all the dummyism that exists in Otago at the present time to my knowledge. There is very little or no land bought for cash or for speculative purposes; and the land taken up under the different systems is not taken up for speculation, but in order that it may be occupied for *bona fide* settlement. It might be called a diluted kind of dummyism. I do not know of any other form of dummyism in Otago at the present moment, and if such exists it is of small dimensions.

6. *Mr. Smith.*] I would like to ask you whether in some of these cases it is not true that applications were sent in by persons who did not wish to take up the land for themselves, but rather to make money out of it by transferring it to others if they were successful?—There may have been such cases, although they have not been proved. They may have occurred here and there, but seldom, as far as I can find out.

7. Are there not many applications to your Board for transfers without the persons ever taking up the sections?—When transfers are applied for to the Board within one, two, or three months after acquiring the land, or before the expiry of the six months allowed, the applicant, under the deferred-payment system or the perpetual-lease system, before going into occupation of the land is examined as to his reason for desiring the transfer, and unless he can satisfy the Board that there is some good and sufficient reason for asking for the transfer the Board decline to approve it.

8. You admit there have been some applications for transfers?—Yes; but I do not recollect any application for a transfer that was refused by the Board for the reasons I have stated.

9. Have there been many applications or not?—There are applications for transfers all round the year; they occur constantly; but I understood you to refer to persons who had taken up sections for speculation and desired to transfer them. Such cases have been very few; in fact, when I tell you that the Land Board has not refused any transfer it is sufficient to make it evident

that the Land Board did not consider, in any case that came before it, that the transfer was applied for with the object you state, although, possibly, some applications to transfer may have been made with that object.

10. *Mr. J. McKenzie.*] Had you any inquiry, during your Commissionership, under the Act of 1885?—Well, although I do not like to speak quite offhand about it, I do not think we have had an inquiry under the Act of 1885.

11. You are aware that the Act of 1885 made ample provision for inquiry?—It embodied the provisions contained in the Land Boards Inquiry Act of 1883.

12. Previous to the passing of the Act of 1883, which was embodied in the Act of 1885, you were not able to make proper inquiry into dummyism: were you not prevented?—We were not furnished with the powers we were afterwards furnished with. It was "The Land Boards Inquiry Act, 1883," that gave us the power to hold an inquiry.

13. Can you mention to the Committee any case of wrongdoing which you sheeted home by that Court of Inquiry?—Well, there were the famous Cotterbrook cases. We brought home in these to a number of applicants the fact that they were applying for land which they did not intend to occupy—that is, applying in the interest of other people, which is the essence of dummyism. The Board forfeited the deposits of the applicants, and the lands were reopened for sale.

14. Can you mention to the Committee any case the Land Board of Otago inquired into, and in which they failed to prove dummyism?—Yes; the case you, I think, refer to was an inquiry into dummyism in regard to deferred-payment sections forming part of Run 106, which had previously belonged to Mr. James Smith. In that case, I think, the Land Board was moved to action by a petition, if I recollect rightly. I speak subject to correction. I think there was a petition sent to Wellington on the subject as well as to the Land Board, and it was determined to hold an inquiry. The Board held a very exhaustive inquiry, but failed on the evidence that was adduced to prove the suspected existence of dummyism.

15. *The Chairman.*] What year was that?—It was in 1884, I think.

16. That was before the passing of the Act of 1885?—Yes. The powers of the Board as to inquiry into dummyism were in the same position as after the passing of the Act of 1885, for that Act embodies all the provisions of the Act of 1883.

17. Is the position of the Board strengthened in regard to detecting dummyism under the Act of 1885?—No; I do not think so; it remains much as it was.

18. *Mr. J. McKenzie.*] There was a slight alteration of one or two words—"right" and "usage"—which made the meaning of the Act more clear?—There is a difference in the wording of a section as to a person letting another man run his sheep upon his land. It is now provided that there must be a regular agreement for agistment for adequate consideration. That was the only alteration as far as I can remember.

19. With regard to the Greenfield cases: have any circumstances come to light since then which prove that these were cases of dummyism?—Well, not to my personal knowledge, except what I learned through the newspapers. I know nothing of the facts. I saw some reference to the matter in the newspapers, in connection with some legal proceedings.

20. Are you aware that the case was tried in the Supreme Court, and that it was proved that the man was a dummy?—I did not read it; I only heard so. As far as I understood the facts, they were these: The person who took up the land in connection with Smith stated on oath that what he had previously stated on oath was a lie. That was all. I should come to the decision that the second statement was just as likely to be a lie as the first.

21. You recollect that a man named Gilliand gave evidence at the inquiry?—Yes, I think I remember the name. I did not read the report in the newspapers about it. My attention was drawn to it merely by some person speaking to me in the street about it.

22. You recollect Mr. Gilliand giving evidence?—I think there was a man called Gilliand who gave evidence; but I do not recollect what evidence he gave.

23. Would you know his signature if you saw it?—No. If you had not suggested to me the name of Gilliand I should not have remembered it at all; but I think there was a man called Gilliand who gave evidence.

24. You say that no case of dummyism has come under your knowledge: is that true?—Yes; it has not come before the Board officially. Of course, you know as well as I do, when you were on the Board, that where we found a man not complying with the conditions of his license, and not living on his land, his license was forfeited. There might have been an element of dummyism in some of these cases, but it was not called dummyism.

25. You have known of some cases where the Board have forfeited a license without making any inquiry?—Men have been served with notices to show cause why their licenses should not be forfeited for not having complied with the conditions of their licenses, and, if they did not show sufficient cause, the licenses were forfeited.

26. There have been cases of that sort?—Yes, many cases; principally, I may state, arising from non-payment of rent. These are quite distinct from dummyism.

27. Have you not received a petition accusing certain persons of dummyism?—Yes. We lately received a petition in connection with alleged dummyism at Deepdell—Macrae's.

27A. You forgot that?—The report of the Ranger about the cases was received before I left, and the persons referred to have been cited to show cause before the Board on the 24th of this month why the licenses should not be forfeited for breaches of their conditions. One case referred to was that of a woman who had abandoned her section, and gone to Southland to be married.

28. Had not the rent for that woman's land been paid by another individual?—I do not think so; I think she is in arrears. She got married—I speak from memory—before she had occupied the section at all.

29. Are you certain you are speaking from the report of the Ranger?—Was not his report to the effect that the land had been occupied by McLennon, and the rent paid by him?—I do not remember that he reported so as to that particular section.

30. I suppose we can get the report in Wellington?—Yes, certainly.

31. Can you give a list of the names of the persons you called upon to meet the Board at the inquiry to be held on the 24th?—No, I could not tell you.

32. You can supply it afterwards?—Yes. Of course these cases you mention at Macrae's were the only cases where there was any allegation of dummyism. The other cases are for non-compliance with the conditions attached to the system under which the persons were occupying the land. We found that some of them were in arrears, and some not residing on the land as required; so we gave a number of them notice to show cause why their licenses should not be forfeited on these grounds.

33. Do you recollect having been called upon to transfer a section recently sold by the Official Assignee in Bankruptcy at a place near Macrae's?—Yes. I think that was the case the petitioners forwarded to us, and in which evidence was given before the Official Assignee. It was that case that apparently had drawn the attention of the petitioners to the fact; and they based their allegation of dummyism upon the man's own statement that he had not taken up the section for himself.

34. Do you not think, as Commissioner of Crown Lands and Chairman of the Land Board, that an inquiry should have been held before the Official Assignee was allowed to part with the land?—He sold it before we knew anything about it.

35. The statement of the man was known to you. It was pretty well known over Otago that this man had stated, at a meeting of his creditors, that he was only a dummy. The land was seized by the Official Assignee for his creditors to sell on his behalf?—Yes; it was sold, but we could not stop it.

36. Could you not have made inquiries to find out the truth of that statement?—I do not think the attention of the Board was drawn to the evidence given by the man. I did not see it. It was some time after that that my attention was drawn to it; in fact, I did not know about it until this petition came from Macrae's, in which we got a cutting from a newspaper containing an account of the proceedings before the Official Assignee, at a meeting of creditors, which contained the man's statement about this section.

37. Do you not think it would facilitate the finding out of dummyism if you reported such cases, as they came under your knowledge, to the Minister of Lands, so that he might take action?—Well, as far as that case is concerned, I did not see what action could be taken. The man had been deprived, by operation of law, of any interest in the section.

38. He stated at a meeting of his creditors, the Official Assignee being present, that he was a dummy for another man, and had not put this section in his statement of assets?—I do not remember what he stated in his evidence.

39. Was it not sworn that this man had committed perjury?—I should like to see the man's statement. I am careful as to what I state. I am speaking only from hearsay.

40. If this case had been reported upon this man might be made an example to others?—As far as my recollection goes, he intimated that he had taken up this section for the benefit of somebody else. I understood that from his evidence. The thing was gone and done with before it came under my notice. The land had passed from him by operation of law. I did not consider it was necessary to report that case to the Minister of Lands.

41. You stated to-day that, in your opinion, there were very few or no cases of application for land for speculative purposes?—That is my opinion.

42. You are aware that during the last year the New Zealand and Australian Land Company were very successful in getting sections at Kurow?—I think they got four small sections at two different sales.

43. Were these sections for *bona fide* settlement or for speculation?—They bought them for cash. I think they were for *bona fide* settlement certainly, because they were adjacent to other lands they occupied there.

44. They wanted to enlarge their already big property up there?—These sections, I think, lay alongside, or near a pre-emptive right. I did not ask them, seeing that they were buying for cash a small section alongside a pre-emptive right, if they were buying it with a view to occupying it. I do not recollect exactly, but I think they may have got four sections altogether, spread over two years.

45. *Mr. Cowan.*] They were small sections?—I do not recollect the area.

46. *Mr. J. McKenzie.*] You have stated that you did not know of any cases where speculation took place?—It never struck me, for instance, that this land was obtained for speculation.

47. Do you recollect that there were a large number of applications for these sections?—I cannot tell you how many applications there were. At the last sale, I remember the company getting one section at the ballot, for which there were eleven applicants.

48. With regard to small grazing-runs, of course those runs at Deepdell, referred to as Macrae's, were some small grazing-runs?—They were all small grazing-runs, I think.

49. Do you know of any case of one individual holding more than one run?—No; he cannot hold more than one run under the Act.

50. Are you quite satisfied that there is no one in Otago holding more than one run?—Well, if any man holds two small grazing-runs in Otago it is by mistake. I always hold the Act to say that a man can only hold one. I cannot conceive any circumstances under which a man could acquire two.

51. Do you recollect Mr. Logan's case on the Deepdell runs?—I do not know of any case up there.

52. Has he not two runs?—No; certainly not.



53. How does he hold them?—I do not think there is a single man holding two runs.

54. This man does?—No; his mother holds one and he holds one.

55. When you return to Dunedin you will find that his mother holds one and he holds two?—I do not think so.

56. He is in occupation of three?—It is not reported to me to be so.

57. You may not know it; I am telling you it is a fact?—I had a return of small grazing-runs prepared for the Minister of Lands, and if Logan has these runs they must certainly appear in the return.

58. You are not aware, of your own knowledge, with regard to these runs, that Logan holds two?—I am quite sure he does not hold two.

59. Is it not possible that he might hold two runs in this manner: that the first purchase made by Logan was pastoral deferred payment?—Yes.

60. That he afterwards applied for a run and bought it, and having bought that run he might have turned his first purchase into a small grazing-run?—That is the only possible circumstance under which he might acquire two small grazing-runs. When he had taken up the section on pastoral deferred payment, he had not at that time power to exchange it for a small grazing-run. Afterwards there was an amendment in the law giving him a right to exchange a deferred-payment section for a small grazing-run. I am not prepared to say that he had not the right to do that.

61. *The Chairman.*] The effect would be that his name would appear as holding two grazing-runs?—Yes; but if he holds them under these circumstances I am of opinion that he has a right to do it, because he acquired that right from a different direction altogether. It is a substantive right arising out of his having previously held a deferred-payment section. The Act allows him to exchange a deferred-payment section for a small grazing-run.

62. Is it not necessary to make some declaration before obtaining a small grazing-run?—No; there is no declaration at all required. In that case I say he has got a positive right, irrespective of any conditions whatever, to exchange.

63. Can you tell the Committee if there is any other case in Otago except at that particular place where the same thing might happen?—I am not aware that it ever has happened, but I have a sort of recollection of one of my officers drawing my attention to the fact of that one case—that one solitary case. I am not aware of any other. I do not know of my own knowledge that Logan is in that position.

64. Can you recollect which case that was?—I do not know. I do not remember at all. I have a faint recollection of a case. Those are the only circumstances under which it is possible for a man to acquire two small grazing-runs.

65. I have heard it stated in Otago that a large firm in Dunedin hired a number of people with small grazing-runs, which are stocked by the squatting firm, which derives all the profits from them?—I have never heard such a statement. I am not aware of anything of the kind existing.

66. Can you tell me, from memory, if the Greenfield cases, at Waitahuna West, have been purchased and paid for to the Crown?—I cannot tell you.

67. I suppose you could send us up evidence on that point from Dunedin?—Yes; of course. It would be very easily done.

68. *Mr. R. Thompson.*] You stated that a number of selectors' licenses had been forfeited: can you state, of your own knowledge, whether these licenses were forfeited owing to the selectors having dummies in hand, or through failing to pay their rents?—I have stated that those cases of forfeiture I have mentioned occurred from time to time for years past. All except those dummy cases I mentioned specially were for some breach of the conditions of the leases or licenses, such as not living on the land, not paying rent, or not making improvements.

69. Has ever anything occurred during the last three or four years to lead you to suspect that there was any regular system of dummyism ever attempted in your land office?—No.

70. Nothing of the sort? When the New Zealand and Australian Land Company purchased those few sections for cash, did they in any way infringe the provisions of the Land Act by doing so?—No; they purchased under the terms of the present Land Act.

71. *Hon. Mr. Ballance.*] How much land does the New Zealand and Australian Land Company hold in the neighbourhood of Kurov?—I cannot tell.

72. Can you give an approximate estimate of the extent?—I believe it is only a limited amount of land.

73. Freehold and leasehold?—I do not think they have any leasehold land now in that locality.

74. How much freehold land do they hold there?—I do not know. I think it is limited in extent.

75. What do you call limited in extent?—I am only speaking my impression, which is worth very little. I am not aware that they hold any more than the pre-emptive right they had.

76. How much would that be?—Probably, 640 acres.

77. Then, if they hold so little land there, what is their object in buying these small areas?—I do not know; I did not ask them.

78. Was it for *bona fide* occupation?—Well, I imagine so. Buying land for cash they are not required to use it in any particular way; they are not limited to any description of occupation when buying it for cash.

79. What was the size of the sections?—I think, from about 150 to 200 acres.

80. Why were they surveyed in such small areas?—Because it was considered that there was a want of areas of that size in that particular place. If they were surveyed in small areas it was supposed to be because they were suitable for occupation as such. They might have been 200 acres in extent.

81. Then, do you think the purpose for which they were surveyed has been met by the New Zealand and Australian Land Company purchasing these sections?—Well, they became settlers on them.

82. Who were the settlers on them?—The land company held an area of land there which they were occupying, and it suited them to buy these additional sections.

83. That does not answer the question. You said they were surveyed into small sections because the land was suitable for occupation in small areas: was that purpose met by the New Zealand and Australian Land Company buying the four or five sections?—I said three or four sections.

84. Well, the four sections?—If it suited them to do so I do not know of any objection.

85. Was that carrying out the original purpose of surveying them into small sections?—I do not remember the special circumstances under which these sections were made small. If I were in my office I could tell. I cannot, from recollection, say for what special purpose these sections were surveyed. I cannot say whether the New Zealand and Australian Company's purchase was carrying out the purpose for which the sections were surveyed or not. They might have wanted the land to get a fencing-boundary and to complete their holdings there; and I think that would be a very legitimate purpose.

86. Was there any declaration made in this case?—Yes; there was the ordinary declaration required under the Act to be made by any person purchasing for cash.

87. Who made the declaration?—Mr. Thomas Bradden made the declaration.

88. With regard to the case mentioned by Mr. McKenzie—the Logan case—you said that Logan's mother held one or two sections?—I said that Logan's mother holds a section; I did not say "one or two sections." She holds a section. She did hold a section. I think it was originally a pastoral deferred-payment section.

89. Does this run lie near to the run of her son?—I cannot tell you; it is in the neighbourhood.

90. Does Logan's mother reside on the run?—Yes; she has resided there from the very beginning. I do not think she has ever been away from it. She has made first-class improvements on the section. All these people are excellent settlers.

91. Does the son live on the same section as the mother?—He lives on his own section, I think. If he has got a section of his own he lives on it. I think he is married now.

92. Do any other relations of Logan live on another section?—Mrs. Logan has a daughter married to a gentleman who has got a separate run, and he lives on it.

93. Does each holder live upon a run?—Yes.

94. You are sure of that?—Yes. He carries out the system to the letter.

95. *Mr. Cowan.*] In your experience of the administration of the present land-laws, have you any suggestions to make as to a remedy—as to the possibility of dummyism being checked in future?—I think the Board has ample powers to deal with it under the present Act—under the Act of 1885—so far as land purchased or leased on settlement conditions are concerned.

96. As far as land-purchasing settlement conditions are concerned, you have no suggestions to offer towards increasing those powers if deemed necessary?—No; there are very ample powers.

97. From your answers to-day, I gather that you know of no dummyism having taken place in Otago, except what has been the result of a man making a false declaration?—Well, of course, every man who is a dummy must have made a false declaration. If he has made a declaration that he has taken up the land for his own use and occupation, and if he has not so taken it up, but has done so in the interest of another man, who is to have the benefit of the land, that man has made a false declaration.

98. But under the present law that is the only manner in which dummyism can exist: I gather this from your statement?—It follows as a certain consequence of dummyism that the man must have made a false declaration. It follows, as a matter of course, if a man is what is known as a dummy—that is to say, acting in the interest of another person, and occupying land for the benefit of another person—he must have made a false declaration, for the Act requires a declaration that he has taken up land for his own sole use and benefit, and not directly or indirectly for the benefit of any other person.

99. Have there been sufficient areas of land open for settlement in Otago since the passing of the Act of 1887?—Yes; settlement has very considerably advanced.

100. Has the quantity been sufficient to meet the demands?—Yes, generally, I think so. There has not been much demand for land within the last two years.

101. When a block has been opened, are the number of applications largely in excess of the sections opened?—Yes; there is an anxiety on the part of *bonâ fide* settlers to make their chances greater of getting their sections. As I said before, they get members of their families to put in an application for the same section, so that, instead of one chance, they may have several chances of getting a section. There is not a great number of different persons having different interests applying for the same land.

102. Then, as far as you know, it has not been the practice to make these applications for purposes of speculation?—No; distinctly not in Otago. There might be a rare case or two, but the great majority of them have all been for *bonâ fide* settlement.

103. You consider the powers conferred on the Waste Lands Board are sufficient to enable you to deal with applications which might be made in the interest of speculation?—Yes; as far as regards land applied for under conditions of settlement of some kind.

104. I understood you to say before that it was the practice of the Board not to grant transfers until the applicant had complied with the conditions of residence: was that correct?—Yes; all other conditions required by the Act.

105. You say that applications for transfer are not permitted immediately after the sale?—No,

except when a satisfactory reason is given that applications for transfers were made before there were any conditions other than the payment of the first six months' rent required. If applications were made within that time the Board took steps to satisfy itself that the applicant had some good reason for desiring the transfer.

106. Then, the practice was for the Board to satisfy itself that there were sound reasons for such a transfer?—Yes.

107. *Hon. Mr. Richardson.*] Do I understand generally, Mr. Maitland, that the Board always did, and still has to, keep a watchful eye upon the conditions under which land is taken up?—Oh! distinctly; the supervision is the key to the whole thing really—to the systems being carried out as they ought to be.

108. And if it were not for the sharp attention of the Rangers, the Commissioner, and the Board to these matters, there would be considerable evasion of these conditions?—There would be a very slipshod observance of the conditions if they were not the subject of supervision.

109. Do you find, as time goes on, that there is any greater endeavour to evade the conditions now than there was formerly?—No; generally the conditions of settlement are very fairly complied with throughout Otago.

110. To the full extent, with regard to improvements, without pressure being brought to bear upon them?—Yes; as far as regards improvements, there has been less trouble than with anything else. Very often the improvements are rather too heavy for the land. When the land comes to be forfeited or surrendered, where the improvements are too heavy, it is often difficult to find a purchaser.

111. *The Chairman.*] At any rate, the fact remains that numerous applications come in which are in the interest of the same people?—Yes; as when a family endeavours to secure a section through different members applying for it.

112. Therefore, it follows that the people make false declarations?—Yes, strictly speaking, if they are not made entirely in their own interests; but in the case of a man's son making an application, you cannot say he has made a false declaration until you find out how far he is himself going to occupy the land. There is nothing on the face of the application to show that he has made a false declaration.

113. Then, the only check you have upon that is when his application for transfer comes in?—Yes; or when he takes up land under settlement conditions. Whenever the time comes for his having to go into occupation of the land, or put improvements on it, then the Ranger reports him as doing so or not. If he is not doing so, that would be evidence in support of the opinion that he did not take up the land for his own use or benefit. If the Ranger finds other people occupying the land, that would be evidence that the applicant did not take it up for occupation by himself. You have got to wait to see what he does.

114. The only check then is that you can refuse the transfer?—If he applied for a transfer you could refuse it, if you were not satisfied with the position of matters.

115. It also follows, therefore, that that process could be used for speculative purposes—I mean this system of duplicate and triplicate application could?—In regard to land purchased on settlement conditions, this entails upon the purchaser the necessity of living on the land, and making improvements, which is a very effectual check to speculation. The license might be forfeited and payments as well.

116. In practice it has been found effective?—Yes; as I have said, in reply to Mr. Richardson; but in order to make the regulations effective you want to have strict supervision—strict and sufficient supervision and inspection.

117. *Mr. J. McKenzie.*] What supervision have you got under section 16 of the Act of 1887?—A report from the Ranger when an application is made to purchase.

118. In that case no residence is required?—The man must have resided on the land and complied with the conditions. This section gives the owner of a deferred-payment section or perpetual leasehold a right to buy his land when he has complied with the whole conditions of license or lease.

119. What are these conditions?—Different conditions as to substantial improvements on the land, which are spread over the full term of his lease or license. This section gives a man the right to buy land at any time, supposing he has put on it the whole of the required improvements—that is, the whole improvements required to be put on by him during the full term of his lease or license.

120. He can buy within a year if he puts on all the improvements?—If he puts on the whole improvements required under the Act to be put on the land during the currency of his license or lease, and also has complied with the residential condition, he can then buy the land.

121. In twelve months a man can purchase the land, and he can sell it; you cannot prevent him: is not that so?—He is not exempt from any of the original conditions of his license.

122. Within twelve months the man who has complied with the improvement clause of the Act can come and ask his Crown grant from you?—Yes; if he has complied with the improvement conditions to the full extent required by his license or lease to be made during the full term of same.

122A. At the end of twelve months the man who has made all required improvements you have nothing further to do with, as far as residence on the land is concerned?—No; not after he buys.

123. Then, a man is entirely free from the control of the Board when he becomes a freeholder?—Yes; he is like any other freeholder.

124. In answer to a question from some other member you said that the conditions have been well complied with?—Generally so, I said.

125. Does that apply to original purchasers or purchasers extending over many years?—Yes; a number of years.

126. *Mr. Ormond.*] A very important question was put to you by the Minister of Lands, and, in reply to him, you said there was generally sufficient land kept open in Otago for settlement purposes?—Where land was available for settlement, it has been continuously under survey for settlement.

127. *Mr. J. McKenzie.*] Is it not a fact that the Otago Land Board, in February last, had been petitioned by people in Shag Valley, asking that a run to be sold should be retained for settlement purposes?—There was a petition in connection with opening some land in the Shag Valley, and that petition was not complied with. The request of the petitioners was not complied with.

128. Can you state to the Committee if there is any land in that locality open for settlement at the present time?—I do not think there is much; in fact, there is little or none.

129. Is that the very district in Otago where the land has always been readily taken up for settlement—Shag Valley and the whole of the country about there?—There has been a large area of land taken up for settlement of one kind or another there. It is a very poor district, I think, in some parts.

130. Notwithstanding that, the land has always been taken up?—Yes; but we have still some sections lying vacant.

131. Not near?—Oh yes! in Dunbuck.

132. Will you give us a return of the number of sections you have in that country for settlement?—I would require to get a note of those matters you require a return of.

133. You said you had sufficient power under the Land Act of 1885 to inquire into dummyism?—Yes, as far as dummyism upon land taken up under conditions of settlement is concerned.

134. You have stated that there were no applications made for speculative purposes, to the best of your knowledge?—I said generally that it was a mere bagatelle what were taken up for that purpose.

135. How did you come to know that?—Well, you can generally judge very well. Almost all the sections, as far as I can see, are applied for by settlers in the country. The great majority of the applications are put in by settlers who have already land in the country, and who desire to increase their holdings.

136. You have stated that you cannot say what the New Zealand and Australian Land Company were going to do with their land: how could you say so in that case and not state the same in regard to other land?—They bought the land for cash; there were no conditions at all attached to the holding of it.

137. Your general answer is that you have sufficient power to prevent dummyism and inquire into it?—Yes, to inquire into dummyism in connection with the applications for land under settlement conditions.

138. Are there any recommendations you could make to this Committee which would be the means of stopping any dummyism that exists?—I do not know that I could suggest the Board being vested with greater powers than they have at present; they are very large and complete.

139. But in the case of proved dummyism, are there no other penalties that might be applied?—No; the penalties are very grave as they stand. Making a false declaration is made a misdemeanour, and the person guilty of such an offence is liable to eighteen months' imprisonment.

140. But there seems to be no person to take notice of these false declarations: is not that a fact?—The Board takes notice.

141. It is not part of the Board's business?—The Board has never suggested criminal proceedings; it has satisfied itself with forfeiture.

142. Do you not think it would be a good thing, when people are known to make false declarations, to have them punished publicly for it? Would not that assist in preventing dummyism?—It would, possibly.

143. Here is a letter from one of those people who made oath before you at the Land Board in Dunedin—Gilliand—in which he stated that he had applied for this land for his own use and benefit. He afterwards stated on oath in the Supreme Court that the evidence he gave on that occasion was false: well, he must have made a false oath in the Supreme Court, or else he must have made a false one before the Land Board?—I think so.

144. Is not that a case which the Government should inquire into and punish the man who made that false declaration?—I would not take upon myself to say how far the Government is required to take proceedings against him. He appears to be a man entirely unworthy of credence; you would not know which end to begin at.

145. If the law provided that this man should now be punished, would it not deter others from doing the same sort of thing?—I think, if a man has stated what you say he said, he certainly does deserve punishment.

146. Would not that deter others from doing the same thing in future?—It might.

147. *Mr. Smith.*] Have you any suggestion to make to this Committee that the applications which you admit are made for several sections by several persons cannot be stopped?—You might mitigate it. The great matter would be to minimise the temptation as far as possible; that would be the first thing.

148. *Mr. Ormond.*] How?—Well, I would open land surveyed into areas suitable to the character of the land, so that if a man got one section he would be satisfied, and not want to get a chance of a lot of other sections. If inferior land, it could be cut into large sections, and applicants might be confined in making their applications to the area which by law they were entitled to take up. I think that would be a good thing to do. At the present time a man may make application for sections all over a block, and that he does so is a matter of fact.

149. *Mr. Smith.*] Can you amend the law so as to prevent this?—You can amend the law so as not to allow a man to apply for more land than he is entitled to take up. At present there is nothing to prevent him from making application for any number of sections.

150. Does the cash system lead to settlement? Do you find people taking up land for cash taking it up with the intention of settling upon it, or for merely adding to their present holdings?—I have no means of knowing. It is impossible to gather from a man's declaration what his intentions are when he buys for cash; he comes under no conditions of settlement, and therefore I am unable to answer your question; I could only do it by judging of his after-actions; he may do what he likes with the land he buys.

151. Would you not recommend that the cash-purchase system should be altered so as to prevent a man receiving a Crown grant until he has made certain improvements?—That was the old state of the law in Otago, but it was got over in a great degree. Such a provision, however, might tend to check purchases for cash.

152. Would it not lead to settlement or to improvements?—Of course, if the law required a man to improve before he got his title, it would lead to improvements.

FRIDAY, 11TH JULY, 1890. (Mr. R. THOMPSON, Acting-Chairman.)

Sir ROBERT STOUT examined.

153. *Mr. J. McKenzie.*] You would know, Sir Robert Stout, something about Run No. 106: would you tell the Committee what you know about it?—The information about it that I have obtained was obtained simply through appearing as counsel in the case of *Reid v. Gilliand*, heard in the Supreme Court at Dunedin. What, I think, was proved by the evidence in that case was that the block of land of which Run 106 was a part was opened for selection, that application was made for this run under the deferred-payment system, and that it was obtained by men in Messrs. Smith and Son's employment. One man was a roadman, but he occasionally worked on the station; the other men were permanent employés. Three of the employés who obtained land were examined in Court; they all swore that the applications were made by them on behalf of the firm who employed them. Gilliand swore that large advances were made by the firm; that the fencing and improvements made on the section were made under the direction of one of the firm, John Martin Smith; that the money was paid by him for this fencing and the other improvements; and that, before the inquiry was held by the Waste Lands Board, it was arranged that he and the others should say that the land was purchased for themselves and not for the firm; also, that accounts were made out, but these turned out to be "bogus" accounts. They were submitted to the Land Board. The Land Board held the inquiry, and decided that there was not sufficient evidence to prove dummyism. It was also sworn that after the inquiry was made new arrangements were made between these employés and the firm, the result being that the employés came to be debited for all the money spent on the land—they were not credited for its use by the sheep belonging to the firm. Gilliand was induced to give a mortgage to Reid, but Reid admitted that it was merely a nominal mortgage so far as he was concerned—that is, he held it for Mr. Smith—though that was not known at the time. Reid sued Gilliand for possession of the land, and Gilliand set up, in answer to the action, that the mortgage was a merely colourable transaction—a dummy transaction, in point of fact. That is the question which the Judge has to determine. It was sworn also by a witness named Wymar that the land had been dummied. All the evidence went to show that the land had been dummied. Smith, having been sworn before the Land Board, deposed that it had not been dummied. Nevertheless, these employés were kept on by the firm. One of them had sued for an amount of money left in possession of the firm, and he got it. It is right to state that these men had sworn differently before the Land Board from what they swore in Court. Mr. John Martin Smith did not appear and give evidence before the Court. He could not well appear, because the books produced showed conclusively that several hundred pounds were claimed by him, and he had sworn before the Land Board that he had not paid such moneys. The evidence in Court was conclusive that he was wrong in that statement. It was sworn in Court that there was an arrangement between him and his employés that they should buy the land for him; there seemed no doubt about that. Of course, I only know what came before me as counsel, in Court; I cannot speak of my own knowledge, and I only state what witnesses swore in Court.

154. *Mr. Cowan.*] Mr. Maitland told us yesterday that these three men that signed the declaration said they were taking up the land for their own use and benefit?—Yes; declarations were signed in Smith's office, and witnessed by his son-in-law.

155. They swore that before the Board?—No doubt.

156. The same men when in the Supreme Court swore exactly the reverse of that?—Yes; to what they had said in their declarations.

157. What do you believe?—I believe that many of the transactions between them show that the land was dummied: the best proof of it is that Mr. John Martin Smith did not come and give evidence.

158. How would you stop it?—The only way I can see to stop it is to limit the area which a man can hold.

159. *Hon. Mr. Richardson.*] Will you state, when did this case arise?—I think the inquiry was in 1884 or 1885; the transactions took place in 1881: it was under the old Act.

160. *The Chairman.*] Then, this did not take place under the present Act?—No; not at all. It was under the old Act.

161. When was it before the Judge?—Only two or three months ago.

162. We will hear, then, what the Judge will say?—He may say whether there was dummyism or not.

163. *Mr. Ormond.*] Are there many cases of this kind in Otago?—I could not say. I believe there have been some. Whether there have been any under the deferred-payment system I cannot

positively say. I think there have been some connected with the pastoral deferred-payment areas. There was the Silver Peak case: the Land Board differed from me in regard to that case; but from what is known since I think it is abundantly proved that I was right.

164. Does that apply to other cases?—I can only speak as to what came before me when I was a member of the Land Board: the Silver Peak cases—I believe they were dummied—and the land called the Cotterbrook land. In that case the Board found unanimously that they had been dummied. In the Silver Peak cases the majority of the Board disagreed with me. I am told that one or two cases have happened lately. There have been cases at Macrae's, I am told. I know that people do apply for land for other persons, but I cannot say to what extent it is taking place. I think you will have to give the same powers to the Land Board which they had under the Inquiry Act. You know I hold strong views that the State should be the owner of the land, and insist upon residence or substituted residence. If you allow land to be sold at all, unless you limit the area, I cannot see how you are to stop dummyism. There is, however, some very valuable settlement taking place down in Otago. When I was down in the Wakawa Valley the other day I was exceedingly pleased at what was taking place there. They are all good settlers. I should not think there was much dummyism there; they appeared to be all good settlers, working hard. It is a very lovely valley. If there was a little aid given to them that would soon be a magnificent settlement.

MR. BAKER, Crown Lands Commissioner for the Provincial District of Canterbury, examined.

165. *The Chairman.*] Will you be good enough to give the Committee all the information you can with respect to the supposed existence of dummyism in your district: perhaps you would prefer making a statement first; then allowing members of the Committee an opportunity of putting any question to you they may think necessary?—The alleged cases of dummyism all come under the Land Act Amendment Act of 1887, under which land is open for sale or selection upon three conditions—viz., cash, deferred payment, or perpetual lease. Under the 11th clause of that Act any person—that is to say, any man, woman, or child—is allowed to take only 640 acres of first-class land and 2,000 acres of second-class land upon first making a declaration before the Land Board that the land applied for is for the applicant's own use and benefit. The 12th clause of the Act provides a penalty if the declaration should prove to be false. But there is no power in the Act anywhere to allow the Board to make inquiry into the *bona fides* of the applicant: they can only proceed in the Supreme Court after the application is granted. Although they may in certain cases suspect that the land is not for the use and benefit of the person applying they can do nothing. The only case in which I could clearly see my way to call the attention of the Minister of Lands to was the case of the Australian Land Company's applications for land that had been open for sale or selection at Timaru. And even there, although the persons applying might be suspected of not applying "for their own use and benefit," still, having applied for the lands for themselves, the Board had no power to throw their applications out. We could not know in every case who the parties were, so we were obliged to accept them, the applicants having made the necessary declaration.

166. Then, they did make a declaration?—Yes; in every case that is done. In this case it appeared to me, seeing the way the applications had been put in, that the persons making them were applying on behalf of the company. I called the attention of the Land Board to this before the applications came on for hearing—before the balloting for them I called attention to the penalty for making a false declaration—but the Board decided they had no power under the Act to exclude them except in the case of Mr. Brydone. He applied as attorney for the company. In that case we threw the application out. I had previously communicated with the Minister of Lands to know if the Board would be right in doing so, putting the question whether an attorney could really make the declaration. It had been held by Mr. Haggitt, a well-known lawyer in Dunedin, that an attorney could do so. That opinion had been sent to the Board. But, notwithstanding that, we threw out his applications. The company gave notice of appeal, which they have since withdrawn. There may be other cases, but, of course, I am not in a position to say definitely that there are. I shall be happy to give the Committee any information I can in any case that may be brought up here, as far as I know.

167. Is that the conclusion of your statement—all that you have to say?—I think that is all.

168. *Mr. McKenzie.*] The Australian Land Company are large landowners in South Canterbury, are they not?—Yes.

169. Would you give the Committee the names of the other applicants beside Mr. Brydone?—Yes, there is Mr. C. Norbell.

170. He is in the service of the company?—He is manager at the Levels; and G. Patello.

171. Is he a servant of the company?—I have reason to believe so. I cannot positively say that he is, but I have reason to believe so. Then there is T. McQueen; he is clerk at the Levels.

172. On the company's station?—Yes. Then there is George Lyall, station-manager at Cave.

173. That is also a company's place?—Yes. Then there is F. Dixon, a shepherd; and W. T. Hook. I believe that the following gentlemen also put in applications in connection with the company.

174. Those you have mentioned you believe to be all servants of the company?—Yes.

175. *Mr. Smith.*] Including Mr. Dixon?—In the case of Dixon and the two last men, I do not know for certain. I only judge so from the applications.

176. *Mr. McKenzie.*] But is it a fact that they were all employés?—Yes, I think so.

177. *Mr. Cowan.*] Did each man make a separate declaration?—Yes. The following made applications which appeared to me to be put in on behalf of the land company—I cannot say so positively, it is only a surmise, but the area applied for tallies with that applied for by the company—T. McLean, F. A. Gracie—they are auctioneers at Timaru, I believe—and G. F. Cluny, agent.

178. *The Chairman.*] About what amount of land did these men apply for?—The first three

applied for 10,475 acres; the second three applied for 10,054 acres: it is all the same land applied for over and over again, to increase the chances of getting the applications granted. The last four applied for 9,389 acres—all the same land, one or two sections being left out—but they did not get it all: they only got about 3,227 acres.

179. *Mr. McKenzie.*] Suspecting as you did that these men were servants of the company, did you think it likely that the company would, if the applications were granted and the land in occupation of their servants, having obtained it in this way, allow them to cultivate the property on their own account?—That is evident to every one—that they would not. But that is a matter of question: I think not. But the whole thing turns upon what a Judge of the Supreme Court might decide as to the meaning of the words “applying for his own use and benefit.” That is where the point comes in. There is no power given in the Act to inquire beforehand. Even suppose the man, after getting the land, sold it in the room, there would be no power to interfere with him. If he has purchased under a false declaration, and he gets £10 out of it, he can still say that he bought it “for his own use and benefit.”

180. *The Chairman.*] Were these all for cash?—All for cash.

181. *Mr. McKenzie.*] You felt some suspicion that these were not *bond fide* applications?—I had reason to believe that the company was going to apply. I went to Timaru to see how the applications were put in.

182. You say you read out the clauses which provide the penalty for false declaration?—Yes; I read the clause relating to the penalty for false declaration.

183. That was not usual?—No; it was not a usual thing to do, but I felt it my duty to do it. The application by ballot only came into use this year in Canterbury.

184. Do you know of any other applicants for land?—Yes.

184A. Do you know E. Rutherford, W. H. Hargreaves, F. J. Kimbell, T. Bullick?—Yes.

185. Had you any suspicion in regard to these people?—With regard to the first—Rutherford—an application was put in by Mr., also by Mrs., Rutherford. Mrs. Rutherford obtained the land. The ballot went in her favour.

186. Rutherford was a large landowner before was he not?—Yes; but he could apply for 2,000 acres of second-class land; so could his wife; there is nothing to upset the application. As to Bullick and Hargreaves, Bullick, I believe, is an auctioneer in Ashburton, but I am not certain about that. About Hargreaves I do not know. I do know a gentleman of that name in Christchurch: he is a coal merchant, I believe, but I am not certain.

187. I understand that Bullick and Hargreaves have got land in South Canterbury?—They applied at the Christchurch office, and they drew in the ballot two blocks of land on a station called Albury. One may possibly surmise, but I do not see how it is possible at a sale to know who the men are that have put in applications for land. They got two sections. Mr. Kimbell put in an application, but he did not get a section.

188. As Crown Lands Commissioner for Canterbury, you would have a general knowledge of what percentage of people have taken up land during the last twelve months, and gone upon it to settle?—The bulk of this land has been sold between March and now.

189. There is hardly time, I suppose, to obtain an accurate knowledge?—There is not time yet.

190. Can you speak as to the percentage of land purchased by original owners, or by people who had no land?—I think, on what we call “The Plains” there have been about 50,000 acres of plain-land opened within the last twelve months—this year in fact. I think, about 19,000 acres have been purchased by or for adjoining owners; but for the bulk of this land there was no competition at all by intending settlers; in fact, I think, over the whole of the above area, there were not more than half a dozen purchasers on settlement conditions.

191. Were these all cash purchases?—Yes; to show that there is no demand for that kind of land, there are from 17,000 to 20,000 acres of the land still open: it is the remainder of the stony plains that have been selected over any time these thirty years.

192. *Mr. Cowan.*] First or second class?—We made it first class so that large men might not take more than 640 acres.

193. *Mr. McKenzie.*] So that it means that all the good bits of land have been taken up, and the refuse is still there?—Over the Plains about 7,700 acres have gone on settlement conditions. Do you wish me to speak about the hill-land? if so, there are about 51,000 acres (roughly speaking), and about 31,000 acres of this have, as far as I know, been taken up on settlement conditions; about 16,000 acres have gone for cash. I might remark that about 5,000 acres out of this 16,000 are not, in my opinion, fit for settlement.

194. I suppose some of it was bought to round up estates?—Two of the sections were the two which Hargreaves and Bullick got. The freehold land on the ranges is purchased so high that it not fit for a man to erect a homestead on; that is why we classed this portion as second-class land.

195. It was stated in the House that a large area was reserved from sale for settlement: is this the land you are referring to?—We (the Run Classification Commissioners) classed these hills as fit for grazing only. It was withdrawn under direction of the Minister; it was withdrawn for settlement.

196. It was also represented in the House that this land was rock-faces, landslips, and shingle-beds?—The shingle, I suppose, applies to Canterbury Plains, which is very stony. It was picked over any time for the last thirty years. The hill-land is fair grazing-country: some of it is very rough.

197. The hill-country is land that, if cut up into 2,000- or 3,000-acre blocks, a man could make a living on?—Yes; that is how it is taken up; the bulk of this 31,000 acres has gone into blocks of 2,000 acres to men who will settle on it.

198. I suppose that on most of the 2,000-acre blocks you would get a bit for cultivation?—The



amount fit for cultivation in most of these places is very small; on most blocks there is, perhaps, a site for a small homestead.

199. Do you know, in several families, of each, or one, or more members of it sending in applications?—That is done; but in regard to settlement land the ballot is a difficulty in such cases. There was one family represented by seventeen applications, but the land went to a man who had put in only a single application—to the man who was *bona fide*, and intended to settle.

200. I am sure you would be able to give the Committee information how to avoid these sales of land in any other way than for *bona fide* settlement?—If I am to express an opinion on that I think the Act itself invites dummyism, inasmuch as you allow a woman or girl, say of seventeen or eighteen years of age, to put in an application. I know, from experience of small settlements, this is invariably used to give the father a larger holding. It is the same in regard to a married woman.

201. Do you not think it would be possible to amend the Act so as to prevent this?—I have for several days past been, with the Surveyor-General, discussing this matter and suggesting amendments to the Land Act.

[Mr. McKenzie requested leave for Major Steward, a member of the House, to be allowed to put questions to the witness through the Chairman.—Leave granted.]

202. *Major Steward.*] Do you remember certain land for which one Alexander McPherson was an applicant?—Yes.

203. That application comprised certain lands—1,932 acres, marked D—in the Pareora Survey District?—Yes.

204. Will you tell the Committee how many applications—if you can, from memory—there were for the section put up on that occasion: was the number about forty?—No; nineteen.

205. On that occasion, I believe, Mr. Brydone was one of the applicants?—Yes.

206. And also Mr. Alexander Macpherson?—Yes.

207. You have just stated, in reply to Mr. McKenzie, that you are aware it is a very frequent occurrence that a number of applications are put in which in reality form only one and the same interest?—Yes.

208. And you say that the Act does not prevent that, but invites it?—Yes.

209. Have you any reason to believe that more than one application was put in for this particular block of land which I have named?—Nine names were put in in the interest of the land company, Mr. Brydone making the tenth, he being attorney for the company. His declaration was decided to be informal. Macpherson, you speak of, was also an applicant. There were applications from six of his children, or five children and his wife.

210. Then, as a matter of fact, there were, out of nineteen applications, eight that were thrown out?—We only threw out one.

211. There were nine in the same interest?—Yes. There were two others from Pringle and Rhodes. Out of the nineteen applications, there were only three that were *bona fide*—that is, there were only three people really wanting that special block, besides the land company. The person we refused appealed, but the appeal was withdrawn. But there may be several applications from one person who is a *bona fide* settler: as he is obliged to take his chance of the ballot, he will put in six or seven applications if he can.

212. *Mr. Cowan.*] Were these children of the specified age?—They declared they were: I never saw the children. I asked the man myself, as I was at Timaru when the applications were made, whether they were of the proper age. He said they were, very distinctly, and I have no reason to doubt it.

213. You have given the Committee information as to another sale of the Levels property, in respect to which all the applications were made by people in the interest of the land company, as you think?—There is fair reason to think that they were so.

214. Do you know Mr. Edward Acton, of Timaru?—Yes.

215. He is the Chairman of the Harbour Board?—I believe so.

216. But you know that he is a man filling an important public position—a credible person: is that so? I mention this, because I hold a letter in my hand from Mr. Acton, in which there is a statement to the effect that he met you about three months ago—that is to say, before that sale. He says he spent the day with you; and that you, with him, looked over some of the blocks to be offered for sale?—Yes.

217. There was a conversation between you and Acton, in the course of which he represented to you that he had reason to believe that there was dummyism to be practised—referring to the “Levels” sale?—I cannot remember: we were riding over the ground talking of a good number of subjects: if he says so, I would not deny it; but I do not recollect it.

218. If I quoted a remark made by Mr. Acton in this letter, it might bring the matter to your memory. It is to this effect: “Baker said the land company should be carefully watched; he thought it impossible for them to obtain much land.” That implies that you were careful to keep your eyes awake to the public interest?—It is quite possible I might have said so: I could not say whether I did or not.

219. There is a statement that applications were put in on behalf of nine persons who were in the employment of the company, as you have described—namely, T. N. Orbell, manager; Patello, manager; G. Lyall, manager; F. Dixon, overseer; McQueen, book-keeper. These are all the names mentioned in this letter, the other names being supplied by yourself: Hook, Gracie and Clube?—Yes.

220. There is one point with regard to these applications which I wish you would be good enough to inform the Committee upon: in what way the money was paid?—I took note of that: it was by cheques drawn on the National Bank of New Zealand, but all of them drawn by the manager of that bank.



221. The manager of the bank?—It is a new system, apparently, which the bank has got into.

222. Drawn by the manager on his own bank?—Yes, and countersigned in favour of the Receiver of Land Revenue.

223. Was it debited to any customer of the bank?—No.

224. But paid by the bank on its own behalf?—Yes.

225. There was no other applicant outside these?—There may be other cheques of the bank. I cannot say why this system was adopted: most of the cheques that come in are drawn in that way by the manager on the bank.

226. See, the effect of it is this: that they would not reveal to you, or to any other person, on whose behalf or out of what fund these moneys were paid?—Yes; it was the fact that the cheques happened to be numbered consecutively which made me doubt the *bona fides* of the applications.

227. *Mr. Smith.*] They were all numbered consecutively?—Yes.

228. *Major Steward.*] I would like to ask you, Mr. Baker, through the Chairman, whether you do not think, from your experience in working the Land Act, much of this might be obviated if provision were made that when a ballot takes place the applicants should be classified, and that the Board should have the power of overlooking. The classification might be somewhat in the order and manner following: First, those persons who have no land; then persons who have land in certain proportions, so that we might eliminate such as were objectionable if there were persons applying from such classes, and allow the ballot to take place between the people who have no land?—Yes; it might be done; but I am afraid it would be a very difficult thing to manage. I may say, I think power should be given to the Board to make inquiry in the cases of cash applications as in applications for perpetual lease or on deferred payments.

229. I suppose you know something of the working of Victorian lands, where there is a power of discrimination given?—If enlarged powers were given to the Waste Lands Board I have no doubt it would be an advantage; but in my opinion it might be much abused.

230. In connection with these recent land cases, it is a fact, I believe, that when a certain area of land is declared to be open for application on a certain date, with the choice fixed in the *Gazette*, the applicant has the chance of selecting within forty-five days?—That is so.

231. Is it a fact that, as regards Canterbury, they are open for selection during that period for cash at £2 an acre?—Yes.

232. Then, from land that is intended to be sold, parts of it can be picked up during the interval for cash?—Yes; but only a very small amount has been so taken; but it is so.

233. That has been done to some extent, possibly for the purpose of “squaring” properties or estates: would it not be a desirable thing in the interest of settlement that, as soon as the land is declared open for selection, it ought to be withdrawn from power of selection at £2 an acre?—That is so; it would have been done so in this case, only it was an oversight. I might remark that as regards this land it was only a very small amount that was picked up like that. If the persons paying £2 an acre had left it to their ordinary chance at ballot they would have got it at a reduced price—15s. less—so that they have simply paid the Government 15s. an acre more for the land than they would otherwise have had to pay.

234. *Hon. Mr. Richardson.*] I would like to ask a question on this point, so as to show that we keep clear of this selection at £2 an acre. I am aware of only two instances of its happening: then, when this oversight was noticed, it was stopped as regards all future sales?—Yes, that is so.

235. Do you think it would be desirable in the future to make some provision in regard to purchase for cash requiring of the buyer that certain improvements shall be made before the Crown grant should issue?—That was in the old Otago and Southland Acts when I first went there.

236. Would it not be to the interest of the colony if some such provision were made?—Yes.

237. *Mr. Reeves.*] You stated that 50,000 acres were opened on the Plains: how much of that is sold?—I think, in round numbers, about 26,000 or 27,000 acres; somewhere about that.

238. Seven thousand acres were taken up on settlement conditions and the remainder had been bought by adjacent landholders?—Yes.

239. A good deal of it appears to have been bought by professional people?—Some has.

240. These people did not probably buy altogether in their own interest?—They have sworn or declared that they did so.

241. You say this land is not of a quality good enough to tempt people to forsake their ordinary occupations in order to go and live on this land?—Not good enough for that.

242. It is obvious, then, that, at the price given for it, it would not be a brilliant speculation to buy for resale?—I do not think so.

243. Do you not think the Land Board should have power to inquire, where the applications were so sent in as to awaken suspicion of their *bona fides*?—I have said that there is no power in cash applications to make inquiry. It would be desirable; not that we could throw the application out; we should have to let the applicant go to the ballot. If, say, twenty men were to apply for the land we could not keep all these men waiting while inquiry was being made: we should let the applications go to the ballot: then, in cases where there was a doubt, after inquiry was made, if it was proved, we could forfeit, as provided by the 12th clause of the Act.

244. You say that a good deal of this land was shingly land and of inferior character?—Nearly the whole of it.

245. Yet some of it was classed as “first-class land”?—We classed it as first class—Mr. Mac-Millan and myself—so as not to allow it to be taken up in large areas.

246. If you wanted *bona fide* residential settlement on that land, would it not be wiser to put it into larger blocks, so that a man going on it would have a sufficient though a humble living—say, 2,000 or 3,000 acres?—We thought that if we put it into 2,000-acre blocks it would be too easy for adjacent landowners to get.

247. So that the advantage of getting this land settled has been sacrificed through the fear of its falling into the hands of adjacent owners: if they could not have it, would it not be fair to allow

the *bonâ fide* man to buy in larger blocks?—Yes; but under present Land Act you could not shut out adjacent owners.

248. *Mr. Smith.*] The majority of persons taking up land: are they persons who have already owned land?—The grazing land that we have sold, the bulk of it, has gone to people who are *bonâ fide* settlers; plain-land there was no demand for; only a portion of that—a small portion—has gone to men who are *bonâ fide* settlers.

249. Has not a quantity of it gone to persons who already owned land?—A good deal; but the law allows it.

250. *Mr. Cowan.*] You stated that under the system of ballot a good deal of dummyism is possible?—Yes; in drafting amendments to the Act with the Surveyor-General, I suggested that a person should be allowed to apply on the same day only for the quantity of land he is allowed to hold under the Act. As the Act stands now, suppose a man himself, his wife, and eight children: he can put in ten applications. If there are fifteen sections open he can put in ten applications for each section; so that he would have a hundred and fifty chances in the ballot.

251. You have fully considered the question?—Yes; I think that a man, on the one day only, should put in his application for land which he can hold under the Act; then a man for himself and wife could only put in two applications for himself and family for two sections.

252. *Hon. Mr. Richardson.*] Do I understand from your remarks that the instances of what is called dummyism (which is in many cases are but duplicate applications)—these purchases for cash to which you refer—do I understand you to say that this trouble has arisen through the cash purchases, along with the settlement and deferred-payment purchases, being put through the ballot?—Yes.

253. But for the attempted restriction in the sale of cash land provided by the Act of 1887 these lands would have gone in a similar way?—Yes.

254. Then, the attempt at restricting the sale of land for cash provided in the Act of 1887 is not sufficiently stringent. In the Act of 1885 the powers of inquiry applies only to licenses and leases, not to cash purchases: you say it should be extended to cash purchases?—Yes.

255. That is how you think the Act should be amended at the present time?—Yes; but we must remember that in purchases both under settlement conditions and under the deferred-payment system, as well as for cash, people will equally try to increase their portions. As long as the ballot lasts you may lessen this; but I do not see how you are to deal with it altogether effectually. This case was found out because it was so apparent that it could not help being found out. But suppose he (*Mr. Brydone*) had brought up ten men from Otago, and each man put in his own application, and paid with money or by cheques on the different banks, you could not have detected it or even suspected it.

256. *Mr. Reeves.*] How far do you think all this might be checked if residence were insisted on, or immediate residence on the lands put up?—That would mean withdrawing them from cash purchase altogether. My own impression is, if I had the ordering of it, I would leave deferred-payment lands and those under settlement conditions to the ballot. I would open land for cash purchase, and if there were more than one application on the same day I would put the land up to competition among the applicants.

257. *Major Steward.* The Minister of Lands has put it this way: Whether the difficulty might not be solved by requiring a similar declaration in regard to cash purchase as to others.

*Hon. Mr. Richardson.* There is a penalty in one case, not in the other.

*Witness.* There is a penalty now, but we cannot enforce it without going to the Supreme Court.

258. *Major Steward.*] There is an objectionable system—a duplicate system, that is, according to some: others say there is actual “legitimate” dummyism; as in the case you have mentioned the land company were really the persons applying; these, at all events, were the persons who contemplated the appropriation of the land: do you not think that some discretionary power should be given to the Waste Lands Board to shut out such an application as this?—I have pointed out what, in my opinion, would be one remedy—namely, the power of inquiry and forfeiture of the land if the result of the inquiry were not satisfactory. At present we cannot inquire without having to go to the Supreme Court. In regard to what you call “legitimate” dummyism, the declaration is as false in one case as in the other.

259. Do you believe there are many cases of dummyism?—There have been some.

260. *Mr. Kerr.*] Can you prove they were cases of dummyism?—No.

261. How do you know they were not legitimate settlers?—You could only know that by going to the Supreme Court.

262. *Hon. Mr. Richardson.*] You were asked by *Mr. McKenzie* as to whether much of this land was not steep hill-faces or landslips: in answering that question, you spoke of part of it being good pastoral land and the slopes towards the plain: with regard to the inferior land, were there not a good many small pieces mere fringes of the larger areas within existing freeholds, or surrounded by existing freeholds? They were shown on the printed map and described: were they not described as steep hill-faces, and practically valueless land?—Yes.

FRIDAY, 25TH JULY, 1890. (*Mr. J. FULTON, Chairman.*)

*Mr. J. W. A. MARCHANT*, Commissioner of Crown Lands and Chief Surveyor, Wellington, examined.

263. *The Chairman.*] You appear here, *Mr. Marchant*, on summons of the Committee, to give evidence on the question of dummyism in this district?—Yes.

264. You furnished a Committee, through the Government, with a report on this question?—I did.

265. Can you tell us what the nature of that report was—we have not got it here?—As well

as I can remember, it was to the effect that dummyism was not known to the department; that we had no proofs of dummyism; and that I could not say how much land had been taken up for speculative purposes or by means of dummyism, but that I believed the great bulk of the land had been taken up by genuine settlers or for improvement.

266. Will you define what you understand by the term dummyism?—What I had in my mind at the time was a person engaged or employed by another to select land on behalf of the principal, the former having no interest whatever—and not intending to have any interest whatever—in the land himself.

267. Did you include in that category members of families taking up land?—No; I do not include them, because it is a very common practice in the district, and is recognised by the laws.

268. You adhere still to that report?—I do; but I speak of the report from memory.

269. That is your opinion still—that there is nothing of the sort in the way of dummyism?—My opinion is that we have no proofs.

270. Have any special steps been taken to prevent dummyism in the district?—There have been no special steps taken, though the Land Board have had the question under consideration repeatedly, and the Board obtained information from Victoria and New South Wales as to the practice in those colonies to prevent dummyism. That action was due to a great deal of discussion—correspondence and articles—appearing in the newspapers about dummyism and speculation in the lands of the district.

271. Can you supply us with any of that information?—I can. I hand in a letter received from Mr. Black, Surveyor-General of Victoria. It is a copy of a letter from the Surveyor-General of Victoria, replying very fully to the questions of the Land Board on this subject. [Copy of letter referred to put in.]

272. Is there any other information upon this subject that occurs to you just now?—Do you mean as to my own views or as to information gathered?

273. Have you gathered any other information?—I have made inquiries as to dummyism in this district of various persons, and particularly of the Crown Lands Ranger. He assures me that he cannot lay his hand on a single person who is a dummy; and has not proofs of a single case.

274. Any particular cases brought under the Board's notice?—No, except the case of a man at Kaiwhata; but until yesterday morning there was no suspicion in my mind of what is technically known as dummyism. There was a statement from a man in the Forty-mile Bush that one of the Puketoi Blocks was being held in the interest of a comparatively small number of people, and not *bona fide* by the people who had selected the lands; but on pressing him he said it was mere hearsay, and he would be unable to give any proofs.

275. And this matter has not yet been dealt with by the Board?—It has not yet been dealt with by the Board; but the Ranger and myself have been on the lookout to meet statements of that sort, in order to bring any particular case before the Board.

276. Have you any opinion to express as to amendment needed in the law to prevent this system of dummyming—any suggestions to make?—Allow me, Mr. Chairman, to say this: that I hold strongly the opinion that dummyism is of rare occurrence in the district, except where families amalgamate in their own interest to take up land. But if you ask me what steps should be taken to insure, as far as possible, that dummyism shall not take place, then I think we cannot do better than follow the practice of New South Wales and Victoria. I gather that the practice in Victoria, as stated in Mr. Black's letter, is this: They exercise judgment in choosing the selector; they enforce residence—that is done both in New South Wales and in Victoria—for a term of five years (of course, improvements have to be effected in every case); they withhold titles, and bar transfers and all dealings with the land until the expiration of the term of residence. I think that, in the main, these provisions would tend to make dummyism a very difficult matter. I might add that in New South Wales they imprison people up to a term of two years where the law has been broken or evaded, or where a man has failed to comply with the conditions of his license by acting the part of a dummy—that is to say, where he has broken the law by allowing the land to be used by other persons than himself. I do not say that it would be wise to insist upon all these conditions of settlement all over New Zealand, but it might be wise to do so on limited areas.

277. Have you any other suggestion to make, or any more information to give us?—I would now speak of the sort of dummyism that is known to the department. As I understand, members of families are considered to be dummies if they join together to take up land. It is a very common thing when a man takes up a section of land for his wife to take up one also—that is, on perpetual lease. It is also common, apparently, for the sons and daughters to apply for and select land. This is demonstrated in the balloting by the recurrence of the same surnames. One cannot help noticing that the same series of names occur for section after section, up to the limits allowed by law. This, of course, is an advantage to the family, inasmuch as they get more chances for the sections applied for than a single applicant does. It has also been known to me that, after applications have been made by, say, the parents of a family, the sons and daughters have applied for land contiguous. So far, we have not had time to make applicants prove their *bona fides* in all cases—that is, by effecting the improvements upon each selection. They need not now reside, owing to the fact that by doing double the improvements residence is not necessary, the intention, apparently, being that all the sections so selected shall be worked as one estate by the parents and children combined. I may say, in passing, that this practice is recognised in New South Wales as legitimate and proper, under the conditional-purchase system, where sons and daughters are allowed to select contiguous to their father's holdings, and are exempt from residence upon such selections, provided they reside with the father on his. The family is allowed to ring-fence the whole property—that is, the whole of the selections—instead of fencing off each piece separately, as required in other cases. That, I believe, so far as I know, is the sort of dummyism that is going on in this

district, and I cannot lay my hand on a single case of dummyism in the way it has been interpreted previously.

278. Do you think the ballot system is responsible for a great deal of this trouble?—I believe that families would combine in the same way if there was no ballot, provided there was competition for the lands.

279. *Mr. McKenzie.*] You say, according to your knowledge of dummyism, it does not exist at all?—As qualified. I have explained that if members of families are considered to be dummies it does not exist very largely in this district.

280. Do you not think that, if members of families could carry out dummyism, other people could do the same?—Yes, if they lent themselves to it; but it would be a scandalous abuse of the law.

281. Is it not a fact that the Crown Lands Commissioners are almost the last men to find out anything about dummyism?—They might be the last men excepting for the reports of the Rangers and their own inspection on going round the country. It is not likely that information would be imparted to them by others.

282. Is it not a fact that in a great many cases people look upon making the declarations as a mere matter of form?—I believe it is so to a great extent, unfortunately. I do not say it is right.

283. Is it not a fact that the reason for people looking on it as a matter of form is that no person considers it his duty or business to pull up any other person for making a false declaration, so as to punish him for it? There is no case where anybody has been called upon for making a false declaration. Have you known any case where a Crown Lands Commissioner has taken action?—We have in one case, but it failed. It was the only case in which an information had been laid, and the case broke down.

284. Is not that the reason why people look upon making the declaration as a mere matter of form?—Probably; although I told you before that the Ranger is carefully watching.

285. It is possible for dummyism to exist without you knowing of it?—Quite possible.

286. Is it not a fact that doing away with the residence clause assists people to make false declarations? Do you not think that has had as much to do with it as the ballot system? Has not the ballot system in some cases forced fathers of families to put in a number of applications so as to be able to secure a section?—It has enabled members of families to combine in order to get more chances.

287. It has been done because the ballot system was so uncertain that they had to multiply their chances in order to get a section?—No doubt that is so.

288. Do you not think it would be advisable in any new law the House may be called upon to pass to make provision whereby some person should be responsible for taking action in cases of false declaration, such as yourself, as Commissioner of Crown Lands, where a case came to your knowledge?—I apprehend that that is my duty now. I am bound to take action if a statement is made, and should have no hesitation in doing so.

289. There is nothing in the law at present to ask you to do so, or which enables you to do so at the present time?—Well, if it is thought that the Commissioners would fail to do it it would be better to put a clause in a new Act to that effect.

290. My reason for asking you is the fact that another Commissioner said he did not consider it is his duty to make inquiry as to whether a declaration was false or not?—I can assure you that I have always looked upon it as my duty to bring such a matter before the Board.

291. *Mr. Smith.*] Had your Land Board any suspicion of dummyism when they applied to the Victorian Government for particulars as to the means adopted there for preventing dummyism?—I think some of the members thought there was dummyism. I might add that I believe the application to Victoria was due to clamour in connection with a great sale held here last year. We had hundreds of applications put in, and the family combinations led to very unfair and unwarrantable statements being made about dummyism; and the Land Board was induced to take notice of those public statements.

292. Do you think that it is equally dummyism for members of a family to apply for sections for any other member of a family as it is for them to apply for outsiders? Is it not equally a false declaration on their part, as in the case of titles and transfers?—No; I consider that if a selection is made in the interests of another it is wrong. It need not necessarily follow that the members of a family wilfully declare that which is false: they may make the selection in their own interest.

293. But supposing they apply to your Board for a transfer?—Then that is false and wrong, no doubt.

294. Have there been a large number of applications soon after the sales?—I would not say a large number, but there have been some. Really there has been a very small proportion compared with the number of applications.

295. You have had an immense number of applications?—Many hundreds of applications, but for transfers there were very few.

296. I would ask you if, in the sale mentioned by you, there were a large number of applications for a few sections?—Yes; choice sections have always been applied for times over: they have been applied for by a great number of persons.

297. In your opinion, were they all genuine applications from persons wanting land for themselves, or was a number of the applications from persons wishing to make money by transferring the sections from themselves?—I think a certain proportion of speculators applied, such as clerks and others: it must be so when land is offered for sale.

298. Is not that dummyism?—No, speculation; it is not dummyism.

299. Is it not a bad thing for *bonâ fide* men wanting to settle themselves?—Yes, a bad thing for them; but a good thing for the man who makes the profit.

300. But bad for the colony?—Bad for the genuine settler.

301. Do you not think that that is a great drawback—a public drawback—as causing people who put in applications for sections to be dissatisfied?—Yes; I have indicated already that I disapprove of that.

302. I would ask you if there is much land taken up during the past year or two settled by persons who already own land, or by persons who own no land at all: what do you think is the proportion of land taken up where it has gone into the hands of people who already own land and that by persons who do not own land?—I am not in a position to say; there is no information given by applicants on this head.

303. I only expect you to give an opinion?—Well, in that case I can tell you that the class of persons who applied in my district during the last two years comprised: (1.) Farmers who were not barred by the limitation although already owning land. (2.) Farmers' sons who were old enough to take up land on their own account (these I take to be the best class of men taking up land); (3.) Men of means—young fellows from England; a very good class, who have money, or who have already been upon runs or estates in New Zealand, and want to obtain an estate for themselves: I think there has been a considerable proportion of this third class. (4.) There is also a fourth class, a very good type of settler or occupier—the improver—that is, the man in business in town, who has made sufficient money to take up land, with a view to improve it, for legitimate occupation by himself or his sons at a future time. Then, I presume, (5), the last class, is the speculator. I ought to have mentioned (6) the working-man—a very important class—and we want special provision made for him. I think we have had in the Wellington District a very satisfactory settlement of the country on the whole during the last two years.

304. But there is a large number of people who have taken up land who already own land in other parts of the colony?—There are a number of men in the South. I have not sufficient knowledge of them to say whether they had parted with their estates; but they are still able to make declarations. A great number of people who have already taken up land under the present Acts have applied and got new holdings.

305. Do you think some alteration should be made in the law similar to that of Victoria, where people owning a certain quantity of land should be barred in favour of those who own no land whatever?—Well, if the man who owned land was a suitable man, I should give it to him in preference to an unsuitable man. I mean, I would have preference shown to the man who knew what he was about in going on land.

306. Still, supposing there were two men, who, in your opinion, were likely to make equally good settlers, one owning 500 acres and the other owning no land whatever: which would you give the preference to?—I should give the preference to the man who owned no land.

307. *Mr. Rhodes.*] What instructions do you give to the Inspectors?—The Ranger? No specific instructions as regards dummyism; but in conversation and in discussing his reports I have repeatedly asked him questions as to dummyism, and he assures me that he knows of no case in which he can lay his hand on a dummy. He reports whether a man has resided or not.

308. What is your definition of a family—how wide?—The husband, wife, and sons and daughters are, I should say, a fair “combination.”

309. Is there much land in this province that it would be wrong to make residential qualification?—No, not to men of the right stamp. They would not hesitate in making selections. Our lands, as a rule, have homestead sites upon them, and are properly situated for occupation—after a time.

310. It would be impossible to compel immediate residence on any bush-land?—It would, certainly.

311. Your fourth- and fifth-class settlers—tradespeople and workmen—in their case, you would not compel residence at once?—I would not compel residence. I would give them special opportunities for acquiring land, with a view to future settlement and occupation.

312. And your idea of the difference between dummyism and speculation is that it depends entirely on the class of people. What is the difference?—A clerk or tradesman here in the town goes into the Land Office and sees a fine block of land for sale. He selects some sections, thinking he can make money out of them. That is the commonest class of speculator. A dummy I understand to be one who is employed to take up land for another.

313. *Mr. Cowan.*] You told us in the first portion of your evidence that dummyism, if it existed at all, was confined to members of families?—Any dummyism known was confined to members of families.

314. What possible objection can there be? Supposing the young men and young women members of families have made the necessary declarations, why should they not become occupiers of the land the same as other individuals?—I do not see any objection. I have explained that in New South Wales it is legal for them to combine and take up land alongside their father's holding.

315. You left the impression on my mind that you objected to members of families doing that here?—I am sorry to have given that impression; I never intended it. So long as the property to be worked is in the interest of the family I see no objection.

316. You are not in a position to say whether the declarations are true or otherwise?—No; we take them all in good faith.

317. And you do not see any reason why members of a family should reside on the sections any more than workpeople and tradespeople?—I do not say they should. It is a common thing for them to get a common estate for the maintenance of them all.

318. We have had evidence given before us here that the ballot system is responsible for a great deal of the duplication of applications?—I believe it is responsible for duplicating applications, because all go in together on the same day, and naturally family combination is resorted to,

319. In your opinion; these very choice sections, if offered by auction instead of by ballot, would be got fairer?—The land would fall to the men with the most money. It might not fall into the hands of the genuine settler.

320. Then, have you any remedy to propose as to the duplication of applications—anything to suggest?—This: decide to limit the applications. It might be limited to the father and the sons of age; not to allow wives and daughters to come in at all.

321. With reference to age, is that not specified in the Act?—Yes. The remedy really would be to enforce residence in certain cases, and to withhold transfers and titles for a specific time.

322. And you have stated that applications for transfers are few in this district?—Under the Act of 1887, comparatively few considering the number of applications for land received. They are very extensive, no doubt, under the special-settlement clauses of the Act, which comprise very small areas (100 acres each).

323. Does that fact not lead to one conclusion—that dummyism cannot be very rampant?—It is another argument in favour of my contention that it is not rampant in this district. I think we have had about twenty or twenty-five approved applications to transfer out of six or seven hundred under the Act of 1887.

324. *Mr. Reeves.*] You stated that you did not think it would be advisable to enforce residence—immediate residence—on the part of purchasers on most of the land in this district. To what time would you extend that term of non-residence?—At least two years, all being bush-land in course of preparation for homes.

325. But you would withhold the title or right to transfer?—I would do so.

326. That, you think, would prevent dummyism while allowing occupation of bush-land?—If you withhold the right sufficient time, yes. It increases the danger to those meddling in such matters.

327. Then, I presume there is no particular proportion of people who have paid for bush-land under the Act of 1887 who are yet residing on it here?—There is a fair proportion of residence on the lands considering the short time the Act has been in operation, because a genuine class of settlers have taken up the lands.

328. Does that fact check a settler going on the land within two years of the time he buys it?—Yes, no doubt. He waits for roads sometimes two or three years. The want of roads keeps men with families back; but unmarried men go on to the land.

329. Then, it largely depends on the question of roads as to enforced residence?—It is certainly a very important element.

330. You stated that you had taken steps to try to discover whether any dummyism was going on in the province: what are those steps?—Inquiry of the Ranger, who visits each selection to see the people occupied on it; and inquiries by myself as I go round the country. Nothing systematic or defined.

331. What occurs when the land is not resided upon?—As I explained before, residence is not compulsory.

332. But I mean, in the way of compelling your Ranger to report where the land is not resided upon?—We can do nothing. We have got so far ahead with our sales that it is beyond one man's capabilities. We have got behind in our inspections to a great extent.

333. Now, you stated that undoubtedly there was a proportion of speculators among the men who took up land. What is the probable proportion of speculators relatively to the whole of the purchasers?—It is purely an opinion, and it is limited to the rural holdings. I should say, not more than one in ten, if I had to give that opinion—that is, of those who secure the land.

334. Do you attempt to ascertain the occupation or profession of the successful applicants for the land in cases where afterwards they do not reside upon it at all?—No; it is no part of our duty. In one large sale I went into that question, and out of about seventy people I came to the conclusion that there were not more than four who were not genuine settlers.

335. Do you not think it is advisable that there should be some examination into the occupations or professions or positions of the purchasers? Do you not think that that would be valuable information in judging of the *bona fides* of the land-purchasers?—I think it would be very proper to have an opportunity of judging the occupation of intending settlers before allowing them to become purchasers.

336. Do you not think that if we had power to obtain that information it would help you and us to judge of their fitness?—It would.

337. Because it seems to me to discount your opinion as to the *bona fides*, from this fact: that you said you do not know in many of these cases who these people are. That is why I put the question. You have told us, I think, already that a proportion of these purchasers were clerks in towns, and that sort of thing?—It must be so.

338. Do you not think that an examination should be made into their character, position, and occupation?—With regard to that, I think every one should be examined on oath as to his *bona fides* and means.

339. Then, have you known of cases in which *bona fide* settlers of a good class have come up from the South Island trying to get land here, and who have had great difficulty in getting it?—Yes, I have known some who were not successful in the ballot when the lands thrown open for selection were surveyed lands only.

340. Do you think that if speculative purchase was stopped as soon as could be there would be quite enough *bona fide* settlers to take the land up?—Yes, I do, certainly.

341. Do you not think that would check the disposal of land?—It would check it to a very limited amount.

342. *Mr. Thompson.*] Do you think that if the Land Act was altered so as to compel a certain period of residence on each section before the title is issued to the selector, that it would be a means of checking any of these abuses spoken of?—I do,

343. You think that the most simple and effectual way of stopping them?—Yes; and by withholding the titles and transfers.

344. That there could not be transfers until the residential clauses were complied with?—Yes.

345. For instance, in bush-lands, a settler cannot go on the land for two or three years; but then he would be compelled to go and reside on his section two or three years before the title or transfer was issued. Do you not think that that would answer the whole purpose which we wish to arrive at?—Yes; it would give the areas to *bona fide* settlers—to working-men of suitable capacity.

346. It appears that most of the attempts at dummyism have been applied to the choice sections. Now, if this system were put in force, and all the choice sections were brought under the residential clause, do you think that would meet all the requirements we wish to arrive at?—It would meet some, certainly.

347. *Mr. Whyte.*] Do you think the uncertainty of the ballot system has the effect of disgusting many decent people who come to the colony longing for land?—I do not know of many, but I know of some.

348. Not only the uncertainty, but owing to the fact that if they wish to be equal to others they must get others to make false declarations on their behalf?—In certain cases. I have known cases where men from the South have been disappointed and dissatisfied.

349. But owing to the ballot the chances were that they would not get land at any price?—That is so; but I think the Committee should know that in the Wellington District we open large areas of land as “unsurveyed,” where the ballot is only in slight operation. I have here several maps of the district. This system does away with the ballot system to a great extent.

350. Referring to the speculation for the choice sections, does not that imply that the sections have been offered too cheap?—I do not think so. I believe that the valuations which were placed upon the land were all fair, and I have never had reason to think otherwise.

351. Surely, if they did not see a chance of making money they would not have speculated?—That is true, but they were fair prices to the *bona fide* settler.

352. My idea is this: I can see no way of the colony getting the full value of the land, and people really anxious to get on the land getting it, except by opening it up to competition, and the man to whom the land is finally knocked down choosing the tenure afterwards. Under the ballot system there is no certainty whatever about a man getting the land, and he goes away disgusted, and perhaps does not even apply. My question comes to this, Would the system of offering the land for open competition have the effect of doing away with the evil arising from the lands getting into the hands of speculators, and allow the colony to obtain the full value of the land?—I am not sure of that: I believe, if you throw the land open to competition you may have a recurrence of the difficulty which cropped up under the Act of 1885—of too much being given for the land, and applications being made afterwards from all for a reduction of the prices; and also, I would go on to say, as I indicated before, that I am in favour of throwing open certain areas for compulsory residence, certain areas for application, and a limited amount for cash purchase, so that these men could not say they had to go away because they could not get land.

353. Does that which you have said not depend on the administration of the law, and therefore on the officials?—Not the three of them, because there are not three modes. We can offer an amount for cash by auction, but I doubt whether the provisions of the Act of 1887 do not override the Act of 1885 as regards residence.

354. You have suggested that you should make inquiries into the occupations of the various applicants: would that be practicable?—Quite practicable. It is carried out now by Victoria: they choose the best man among the several applicants; they do it in open Court, and they secure the best man.

355. But is there any reason why a clerk or other man in towns should not have the privilege of going on the country?—None whatever: he would come into the fifth category of suitable persons.

356. *Mr. McKenzie.*] Supposing the father, mother, three sons, and four daughters—nine in all—put in applications for one section, must not some of them make false declarations?—I should say so. I should not like any member of my family to do so.

357. Do you not think the real issue is in this matter of declaration—whether made honestly or as a mere matter of form?—That is really it. Unless the declarations are faithfully made it appears to me that there should be none.

358. Is it not unnecessary to have dummyism at all? A speculator wishing to purchase a large area of land can do so without being in any way accused of being a dummy if he says, “I will allow these people who apply so much if they are successful”?—That is dummyism.

359. Supposing I come up to the North Island to purchase land. I have two sons, and I say to them, “I will give you £50”—or give them a holiday—that would be a benefit—“to make an application.” We each put in an application for 2,000 acres—that is, 6,000 acres in all. Immediately on our return back the land is transferred to me. Would my sons be right in making the declaration?—Well, that is a matter for their own conscience altogether.

360. Is that not the way in which the law is interpreted now?—It may be with people who choose to do that sort of thing.

361. You said it was quite right where families were combining together: would that not be right?—Not in the way you put it. I believe it is done in that way sometimes.

362. *Mr. Smith.*] Is it according to law to act in the way Mr. McKenzie has put the question?—I should say, no. That is not my interpretation of the law.

363. You stated that families combining to secure an estate was quite right and justified in your opinion, and when I put a case to you to drive it home you stated that it was against the law. How can you reconcile the two cases?—I reconcile it in this way: if a father and two sons secure an estate and work it jointly as one property we might allow it.



364. I am putting my case from a cash point of view?—I do not think it would be in accordance with the law.

365. You would have no knowledge of such a thing?—No; but I believe it is quite possible.

366. In replying to Mr. Thompson you said that if compulsory residence was provided for after a certain time it would to a certain extent meet these difficulties: would not compulsory residence in every case of bush-land tend to shut out a desirable class from settling on the land of this Island?—It would. I would not be in favour of it on all Crown lands. I would limit compulsory residence to a defined area. I proposed to make provision for that class.

367. *Mr. Rhodes.*] When did you start offering unsurveyed land?—We started in 1888.

368. For two years have not people been going away dissatisfied?—About that.

369. I should like to ask how the Land Boards are composed who examine the applicants in Victoria?—I have no evidence as to that. I am quite satisfied that careful selection should be made before they are intrusted with the powers.

370. Will you supply that information from Victoria or New South Wales?—I will do so. I may say that I believe it consists of one official and two non-official members.

371. *Mr. Reeves.*] I think, in Victoria there is an appeal from the Boards?—Yes, to the Minister always, I believe.

372. Do you not think there might be some danger—now that revaluation Acts have been passed—that a man might be more reckless in bidding at auction?—Yes.

373. *Mr. Whyte.*] With reference to the effects of the auction system I am inclined to agree with your reply; but do you not think the system would have this merit: that it would do away with speculation, because there would be no motive. You could not possibly get it too cheap, and there would be no margin for profit?—If you got it at the upset price there would be a margin for profit.

374. I am referring only to fancy sections, for which there would be a great many applications. My contention is that they must be too cheap. Would not the auction system have the effect of doing away, at all events, with that?—There is no doubt of that.

375. *Mr. Reeves.*] But residence would do so more effectively?—Yes, and would be more in the interests of settlement.

WEDNESDAY, 6TH AUGUST, 1890.

THOMAS BRYDONE examined.

376. *The Chairman.*] What is your official position?—I am Superintendent of the New Zealand and Australian Land Company, and also one of the attorneys for that company.

377. You understand that we have asked you to come here on account of some allegations having been made about dunnyming having taken place somewhere about the Levels, or in South Canterbury, and it was thought that you might be able to give us some information in connection with it. Your name was, at any rate, before the Committee on several occasions, by Mr. Baker, the Commissioner of Crown Lands for Canterbury. [Copy of Mr. Baker's evidence handed to Mr. Brydone.] Have you seen that evidence before?—No.

378. *Mr. Reeves.*] Just to get the story out: there was a land-sale in South Canterbury, Mr. Brydone, early in June last, I think?—Yes.

379. You were an applicant at that sale?—Yes: on behalf of my company.

380. As attorney for the company?—Yes.

381. What acreage did you apply for, can you remember?—I think I applied for nearly all the sections that we were in possession of as tenants. I could not say the exact amount; it was about 6,000 or 7,000 acres. Of course I could only get 2,000 acres of that, had the applications been allowed; that I knew.

382. The Land Board declined to give you the land you got?—I did not get any land.

383. They refused your application?—My applications were never allowed to go to the ballot.

384. Did they give you any reason for that?—I think the only reason they gave was that an attorney could not apply on behalf of his company.

385. A trustee is allowed?—Well, I took advice on the subject from the very best legal practitioner. It was to the effect that, in my position, I was a trustee, and that I was quite justified in applying for land for cash at that sale on behalf of my company.

386. Did you take any steps to object to their action?—I did object on my applications being rejected; but I afterwards withdrew the objections. I objected to one applicant for a section being rejected, as I found afterwards he was a *bona fide* settler. I supposed at first that he might probably have been a speculator; a number of applicants were, at least I believe so. Some of them did, I believe, get sections for settlement, and, as I did not know this one was likely to be a *bona fide* settler, I objected.

387. With regard to the other sections, do you mind saying why you withdrew, and did not push it?—Simply because this was a section we had been in occupation of, and it was one that was lying between our lands. It was not an outside section; we had lands on both sides of it, and it was very suitable for us to occupy.

388. That was why you applied?—Yes. You ask why I objected to that particular one: that was the reason I objected to it; because it was a section which it would have suited us very well to have held.

389. Did you make any objection to any other sections or applications being refused?—There was only one I made particular objection to. I did not make any formal objection to any other.

390. Now, as regards the land generally: Can you tell us how much land included in that sale was in the occupation or holding of the company as tenants?—I can only speak as to the Levels estate. There were other lands in that sale that I have no particular interest in. I cannot tell you anything particular about the other lands.



391. *Mr. Rhodes.*] Albury, Three Springs, and the Levels were the three properties?—Yes; but I was only interested in the Levels.

392. *Mr. Reeves.*] How much of the sales was the Levels land, should you say?—I suppose there might be about 8,000 acres; I would not speak positively, but it was something like that.

393. What was the nature or quality of the land?—It was purely pastoral. All the ploughable land had been selected long ago. The bulk of this land was steep faces, and some of it full of stones and rocks, and there was a good bit of river-bed. There was about ten miles of river-bed from the Cave to about two or three miles above Albury, where there were very steep places. I do not suppose there was one portion of it ploughable; just very small patches here and there.

394. It was certainly not to be described as good agricultural land?—It could not be so.

395. Should you call it even first-class pastoral land?—It is good pastoral sheep-country.

396. Should you think it the sort of land that would pay a mere individual to take up and work?—Only if he could get a good-sized block of, probably, 1,200 to 2,000 acres at least.

397. You would certainly not say, then, that it would pay a man to take it up as a speculation; to buy and not work it himself; to allow it to lie?—He might take it up as a speculation, in the expectation of selling it to a neighbouring farmer or landowner. I know that sections—and on that same block, I believe—have been taken up by speculators; because I have been offered sections by them for cash.

398. Do you know Mr. C. H. Orbell?—Yes.

399. What is he?—He is manager of the Levels estate.

400. For the company?—Yes.

401. He was an applicant at that time?—Yes.

402. Have you any idea what land he applied for; was it on the Levels estate?—Yes.

403. Who is Mr. P. Patullo?—He is also an employé of the company.

404. He applied for land at that sale?—Yes.

405. What land did he apply for?—I think he applied for several sections at the Levels.

406. Who is Mr. D. McQueen?—He is an employé of the company.

407. Where?—At the Levels

408. Is he the clerk?—Yes.

408A. Did he apply for land at that sale?—Yes.

409. Land on the Levels, I think?—Yes.

410. Who is George Lyall?—He is an overseer at the Levels.

411. In the employ of the company?—Yes.

412. He applied for land at that sale?—Yes.

413. Land at the Levels?—Yes.

414. Who is Mr. F. Dickson?—He is a shepherd at the Levels.

415. In the employ of the company?—Yes.

416. He applied for land at that sale?—I believe so.

417. And the land was at the Levels?—Yes.

418. Who is Mr. W. T. Hook?—I think he is manager for Mr. Perry.

419. He applied for land at that sale, I think?—I suppose he did.

420. Was the land at the Levels?—I think so.

421. There were also Mr. D. McLean and Mr. J. A. Gracie—who are they?—They are auctioneers in Timaru.

422. They applied for land at that sale too, I think?—I think so.

423. Was the land on the Levels?—Yes.

423A. And Mr. G. F. Clulee, did he apply at that sale on the Levels?—Yes.

424. Did you know that these men were going to apply for land before the sale took place?—Yes; I knew they were going to apply, and also a good many other men in the neighbourhood.

425. Had you any written communication before the sale with any of them?—I had not.

426. Had you any verbal communication?—Well, there was a good deal of talk about the sales with this man and with that man: men not connected with the company, and some who were, and all that sort of thing. There was nothing else talked of for a day or two before the sale, as to who was going to apply and who was not going to apply, and so on.

427. You probably had a chat with some of them; were there any of them to whom you had not spoken, to whom you are sure you did not speak?—I think possibly there were some of them.

428. Could you name any of them with whom you are certain you did not speak on the subject before the sale?—Well, if you mean with reference to asking them to apply for the land—

429. Oh, no, I just mean any conversation?—I was about Timaru for a week or so before the sale took place, and met a great many people, and the land-sale was the general topic of conversation. I could not speak for two minutes with a man without talking about it. I might have had some talk with one or two of them, but I will not say that I had.

430. You knew of their intention to apply, and you might have had some conversation, or you did have some conversation, with some of them; you might have talked with any of them?—Yes.

431. You did not write to them, or any of them?—No.

432. Now, do you believe that these employés of yours—are you prepared to say that they did not apply for this land in the company's interest?—Well, I do not know; I did not ask them to apply.

433. Do you believe that they applied solely in their own interest?—I never asked them.

434. As a matter of opinion, do you think they did apply solely in their own interest?—I do not know. I am sure that I could not express a decided opinion upon it.

435. Do you decline to express an opinion?—I fancy they applied expecting to get some benefit from the result of their applications.

436. Did they apply, then, do you think, intending to work the land themselves after getting it?—Well, the land they have got I do not think any of them could work.

437. Do you think they intended to hold the land permanently themselves after getting it?—I think the chances are they did not.

438. Patullo, Lyall at any rate, and probably some others of your employes know land when they see it; they know the difference between good and second-class land?—Yes.

439. You do not, of course, allow employes in your company to work land of their own?—Yes, we do. There are a good number of our managers, and some of our shepherds, who not only work small farms, but hold land and lease it, and put their savings in land. Mr. Orbell, at the Levels, has two farms; and there are several others of our managers who have land.

440. *Mr. Richardson.*] That is, land which was the company's?—Some of it.

440a. Orbell farms, you say?—Yes, he does.

441. *Mr. Reeves.*] I do not think that is a matter of great importance. I think you told us just now that there was a good deal of this land they hardly could work?—I referred to the smaller sections.

442. It pretty well stands to reason that this land has been taken up, whether by outsiders or employes, with a view of reselling to the company?—Yes; that is so.

443. Do you deny that there is any intention now on the part of the company to take the land, or to buy this land, from these employes?—The chances are that the company will buy it from them. I can tell you this, that I have not spoken "land" to one of these men since the sale.

444. These employes, of course, as you know, of yours applied for the land for their own use and benefit; they had to make that declaration?—Yes.

445. Do you consider that if they apply for the land with a view of selling it, or passing it on to the company at a profit on some future occasion, that they applied for their own use and benefit?—Well, I am of opinion that where a man buys land for cash, as soon as he gets his title he is at liberty to do what he chooses with the land.

446. And if he bought it to resell it the profit that he will get justifies him in saying that it is for his own use and benefit?—Yes.

447. And you would say that, therefore, a man who bought land with the intention of reselling it to a particular person, nevertheless still applied for it for his own use and benefit for that reason?—Yes; I have had the same opinion from legal advisers.

448. With regard to the payment for this land: it was paid for, of course, by cheque. Do you know anything of the cheques?—I never saw them.

449. Do you know whether the company paid for any of the land, or whether the company advanced money to these employes for it?—Yes.

450. You cannot state that there was any agreement between the company and these men of any kind before they applied for the land?—Do you mean written or verbal? There was no written agreement of any kind. These men are at perfect liberty—the same as you would be if you got one of these sections—at the present moment, as far as the company is concerned, to sell the land to Tom, Dick, or Harry.

451. Was there not an agreement, at any rate, that these men should have the money advanced to them?—Well, if you may call that an agreement, there was so; but there was no ulterior agreement.

452. When I say agreement, I mean to say simply an agreement of anything in regard to the land; I do not simply mean an agreement that they were to sell to the company. Was there any agreement in regard to this land at all: referring to it, that they were to apply, and they were to have the money advanced to them and so on?—There was no written agreement about that.

453. But there was a mutual understanding?—Some of them might understand so. The fact is that these men applied of their own accord, without any agreement at all.

454. Patullo and these men did not apply without knowing that you would advance the money to them to pay for the land if they got it?—Quite so.

455. If Mr. Baker stated that there were nine applications put in in the interest of the company besides your own, he would be stating what was incorrect?—I do not know, I am sure.

456. You do not know how many applications were put in for the company: you think it possible that your own application was not the only one made in the interests of the company?—I do not know what you would call in the interests of the company.

457. I mean made in order to prevent outsiders getting the land which the company had held?—Yes.

458. Were there any applications besides your own made to prevent pure outsiders, who had nothing to do with the company, getting this land?—If you mean that you refer to applying for that land in order to prevent outsiders getting it.

459. If you put it that way?—That might be so.

460. *Mr. Smith.*] I have one or two questions. Why did the company wish to secure the whole of this land in the Levels that was sold at this sale, if they were able?—If I had a map of it here I could have shown you. It was jammed in between our original freeholds. The bulk of this land was tops of hills which had been left, and we had bought up the two sides of the hills, and left the tops and steep places. We bought all that was worth £2 per acre years ago, and we had the use of those patches of land (because a great deal of it was patchy), paying, of course, rent to the Government for them, and grazing them along with parts of our freehold; so that the land would have been a benefit to the company if they obtained it. But there were portions lying outside of us, where we had not land on both sides, and we were not at all particular about them. We did not care whether we got them or not. If *bona fide* settlers had got them, we would have been only too well satisfied.

461. Your answer is that the company wished to secure a portion of that sale as an advantage to the rest of the estate. I would ask if your company would allow its employes to pay with its

own coin for application, unless they thought the employés would afterwards sell to them?—That is probably the view to take of it. If they were our employés, and they were fortunate enough to get land, we might have a better chance of buying from them than we would from outside people, and we might get it on better terms from them.

462. *Mr. Thompson.*] I would like to ask you if there was any private understanding between your employés and your manager and yourself in case they were fortunate enough to draw any of the sections. It was understood they were to transfer them to the company on certain conditions?—There was no arrangement as to any conditions whatever. The only thing is, I suppose, we will have the first chance of buying some of these sections.

463. I presume, before you advanced money to these people, there would be some form of security or some understanding arrived at. I should like to ask on what terms or conditions you advanced these men the money to secure the sections?—Well, we are getting the use of the land in the meantime.

464. That is, I presume, as interest for the loan of the money?—I may say that we have the use of all the land on the Levels that was taken up or offered at that sale; some of it was taken on perpetual lease. Even McPherson's section we have the use of, on Mount Misery, and Opawa, and others—we have the use of them all.

465. Are these employés in a position to refuse to sell you this land on very favourable terms; that is, are you in a position to bring pressure?—No, I never bring pressure to bear on any man; it would make no great difference to the company if they sold it to outsiders to-morrow. It is entirely optional.

466. The object of the company in attempting to get this land was principally or almost wholly in respect of the portions surrounded by the company's freehold?—Yes.

467. Not for the purpose of increasing the freehold of the estate of the company?—No, simply to secure that particular part.

468. Have you been doing much in cutting up and selling your properties there on the Levels?—Yes, we are selling almost every week; we have sold a good deal of the Levels estate. It might interest the Committee to know what we have been doing in that way. It will show that the company is not such a cormorant as some people would like to make out.

*The New Zealand and Australian Land Company (Limited).*

Note of land sold and leased on the various estates during the last few years: 459 farms sold, 117,258 acres, for £614,401; 69 farms leased, 16,324 acres, rented at £5,399; 258 small sections, 457 acres, sold for £21,120.

469. *Mr. Smith.*] What number of years does that extend over?—During the last six or seven years.

470. *Mr. Thompson.*] Then, I presume you have not been buying the freehold, except in little patches here and there intersected by previous purchases?—We do not buy freeholds, as the result of our sales shows. We are settling a large number of people on our estates, and they are doing very well. A large number are in Southland. We encourage dairy-farming in every way. We have a large number of leaseholders in Southland making a fair living.

471. *Hon. Mr. Richardson.*] I was only going to ask one more question: Do I understand that since the sale an offer has been made, or an indirect offer has been made, to you or to the company by some one who has acquired land, to sell it to the company at an advance?—Yes; we were occupying the land, and it has been offered to me by a man who evidently bought it for speculation.

472. Was this man one of your employés?—No.

473. Nobody connected with the company?—No, in no way whatever.

474. *Mr. Cowan.*] You tell us the company advanced to your employés the money to pay for these lands; would you say the company owed a considerable portion of this money advanced?—Some of them have wages lying with the company. I could not say what proportion.

475. A certain proportion of that advanced would be lying to their credit?—Yes.

476. *Mr. Reeves.*] I wanted to ask you, did Messrs. McLean, Gracie, and Clulee, of Timaru, get any land?—I do not think so.

MONDAY, 11TH AUGUST, 1890.

JAMES CLARK BROWN, M.H.R., examined.

The evidence I desire to give to the Committee is in connection with a petition which I hold in my hand, and which was presented during my absence in England by Sir George Grey. (Petition read.) The petition came before the Committee some time in September, 1887, and it was reported upon by the Waste Lands Committee, who referred the petition to the Government for consideration. I have applied to the Government more than once, asking them to take the matter up, but they have not done so. The reasons which the petitioners' desire to bring this matter before the Committee are: Believing that a very great injustice was done to a number of intending settlers, who applied for the sections referred to in the petition. The area of those sections, approximately, was about 200 acres each on the deferred-payment system. There being more than one applicant the land was put up to auction. Only those parties who had applied were entitled to bid. I think the price was 30s. per acre. At the auction-sale the principal bidders were people residing in the district, some who had made money by mining, and others who were desirous of extending their holdings and acquiring homes. (I am, of course, speaking only from a general knowledge of the applicants.) There was only, I think, one of these who was successful in obtaining a section. The successful bidders were station-hands, with one exception, all employed by the previous run-

holder, who had leased the land from the Crown. They were known to be the hands on the station, such as shepherds, ploughmen, fencers, &c.

477. *Mr. Rhodes* : What year was that in, do you recollect?—I do not recollect the year.

478. Was it under the present Minister of Lands?—No. I should prefer to make my statement now, and will answer any questions you may put afterwards. As I said before, the upset price of the sections was 30s., and they were bid variously up to £4 per acre. The applications, as you are aware, were made under a declaration, which was one of the necessary conditions in applying for the land; and the persons, except one, who succeeded in purchasing, were said to have made their declarations before the son-in-law of the previous runholder, who is a Justice of the Peace.

479. *Mr. Cowan.*] What was his name?—Edward Herbert.

480. He was a Justice of the Peace?—Yes. The previous runholder was Mr. James Smith, of Greenfield, the gentleman who held Run 106 previous to its being cut up into these small sections. I may say that at the time it caused a great sensation in the district when it became known that the land had been taken up and occupied by the hands on the station. The biddings were in excess of the value of the land. I have been over the land since, and in every case there was the one construction of fence (that is, wire fencing), and all on the same principle. They were also in all cases of the same quality of wire. Anyhow, it had all come up to one order. In some instances I found two or more holdings enclosed by one fence. In paying up at the sale the amount due by these parties on account of their purchases was paid by Mr. Herbert, the son-in-law of Mr. James Smith, the runholder. It was paid by his cheque. The matter some time afterwards came before the Waste Lands Board of Otago, and the supposed dummies gave evidence in favour of their employer. There was one important witness, however, who could not be got at the time, although considerable search was made for him. He was afterwards found in some part, I think, of South Canterbury, or in that neighbourhood, in the bush, having apparently hanged himself. I think the name of that man was Mr. Reid, but I am not quite certain.

481. He was one of the successful applicants?—Yes; but he had left his land, and had gone elsewhere. He was being looked for to give evidence at the time of this particular inquiry I have referred to. Well, the Government of the day, apparently desirous of obtaining what information they could on the matter, employed Detective Walker of Christchurch to procure what evidence he could from those concerned in the district. His report, which I have read, has been handed to the Government, and is, I think, conclusive, so far as it goes. That is to say, he only took evidence up to a certain point. His work was not finished, and he was not called upon by the Government to complete it. The Solicitor-General was asked by the Government to go through the papers and make a report. I have also read his report. He is of opinion that, from the evidence already taken, if it was possible to get one or more of the alleged dummies to become Queen's evidence, there might be a case of conspiracy against, I think, John Martin Smith, son of the runholder. I may say that a year or two ago many letters from parties interested in this matter were received, desiring that an inquiry should be instituted by Parliament; and I have had several from some of the dummies requesting an inquiry.

482. *The Chairman.*] Admitting that he was a dummy?—Yes; he admits being a dummy, and he was employed by the firm of Smith and Son. There are three names in all. One is Alexander Wymer.

483. *Hon. Mr. Richardson.*] He is the man who signed this petition?—Yes; he is at the head of the petition, and John Gilliland. I think there is also another name, Gladstone Robinson. He is not living in the district now. I am informed he is living in the Clutha District. I know from their own showing that two were dummies, and also that they were in the employ of Smith and Sons, and that they were successful bidders at the auction at which I was present. I think Mr. Gladstone Robinson was also one, but am not quite certain. Now, these parties desire to give evidence. I may read you the letter dated 3rd July, from Gilliland. (Letter read.) Last year and the previous year I had letters from a number of settlers who felt very much aggrieved at being outbid in this manner. I do not know that I can say much more on the subject. I know, not from my own personal knowledge, but from sworn evidence, that, in the cases I have mentioned to the Committee, all the improvements were furnished by Smith and Sons, and all the crops were taken away by them.

484. *Mr. Cowan.*] Where was this sworn evidence given?—In the Supreme Court. One of the cases had reference, I think, to dummyism, but I am not quite sure, and was in connection with this Mr. Wymer, but when it had proceeded to a certain point the case was withdrawn by consent of Wymer and James Smith and Sons. The papers about this case are, I believe, in the hands of the Government, together with the Judge's notes referring to that trial. The Government paid Detective Walker to go round and collect evidence. Mr. Haggett gave an opinion in Dunedin, also the Solicitor-General, as I have already stated. These are all with the papers, I believe, in the hands of the Government. Now, I desire that the Committee should have full confirmation of all that I have stated, and a great deal more which I do not feel myself called upon to state. But everything is so patent and so glaring, especially with regard to the fencing, &c. Although pressed to make an inquiry, the Government has caused none to be made up to the present time. I should also like to say this: That these sections which I referred to as varying in price at auction up to £4 per acre are now coming within the scope of the Selectors' Land Revaluation Act, and will be before the Government when the proper time comes. A reduction is recommended by the valuer to 30s. or 35s. I have a perfect knowledge of what I am speaking, as I have seen the papers at the Waste Land Board's Office, Dunedin. (To Hon. Minister of Lands): I do not suppose you have received them yet?

*Hon. Mr. Richardson* : No; not yet.

*Witness* : I would like to impress upon the Committee the absolute necessity in the cause of justice of these men, viz., Messrs. Gilliland, Wymer, and Robinson, being examined before the

Committee, as I am only telling you what is within my own knowledge. I do not, of course, know what they may say. I do not know their cases except in a general way. I know this fact, that the land was dummied, and greatly against the interests of the district. The matter has not been allowed to rest from that time to the present. What my constituents say is that there should be a proper inquiry, which has been burked up to the present time. Nothing has been done to complete it, and what I stated came before the Supreme Court in Wymer's case—the Judge was not allowed to decide. The last case was simply a question of accounts.

485. *Mr. Thompson.*] I would like to ask if this is evidence?

*The Chairman* pointed out that great latitude was always allowed to members of the House.

486. *Mr. Cowan.*] You have given us some very valuable information. Could you tell us in what year these transactions originated?—I do not just now recollect.

487. Perhaps you will find it on referring to the papers?—Of course, I am only speaking from my own knowledge, and not from what the petition recites. I say, from memory, it might be 1881, 1882, or 1883, but I have no reason to doubt the correctness of the petition.

488. I presume, from what you have told us, that these sections in cases where there have been more than one application made were put up to auction, I suppose you know that is not possible now?—Yes; I am only speaking as to the law at that time.

489. You have also told us that you were struck by these sections being fenced with the same kind of fence?—Yes; fenced apparently with some general plan of enclosing as much ground as possible within one fence, not sectionised in separate properties. At the time I went over the land I refer to they were thus enclosed.

490. Was there any other visible means of occupation besides fencing?—Yes, certainly.

491. Was there a house on each section, for instance?—No, not on all of them at that time.

492. Has there been since?—I have not been there since I am speaking of, twelve months afterwards.

493. You have also told us that the moneys were paid by Mr. Herbert's cheque. Will you kindly tell the Committee how you came to this information?—I got it from the person who received the cheque, Mr. R. B. Martin, the auctioneer and receiver.

494. It was he who told you that the application was paid by Mr. Herbert's cheque?—I may say that it was generally known.

495. You say it was hearsay evidence?—Yes; and I had it confirmed by Mr. Martin, the auctioneer. Of course I would not take what others said, unless it was confirmed by an officer of the Government.

496. Then you tell us, in the inquiry by the Waste Lands Board, all the evidence was in favour of Mr. Smith?—Yes, I believe so; what could be got at the time.

497. In what respect was it in favour of Smith?—Well, it was in favour. I forget whether it was James Smith personally or the firm; but the evidence, as I understand, was not conclusive against Mr. James Smith.

498. We have on the papers before us a memorandum by Sir Robert Stout, who was at that time Attorney-General; do you recollect it?—I do not recollect it.

499. His memorandum was to this effect: that the action should be discontinued on the ground of insufficient evidence?—I understood the evidence was not conclusive, and the Government was afterwards advised to that effect. Not conclusive for the reasons I told you—one of the principal witnesses being absent and could not be got. His evidence was important, inasmuch he had abandoned the place.

500. That is, the man who hanged himself?—Yes.

501. You also tell us that the detective was not allowed to complete his work?—I say that he was called back before he completed his work. His work was not completed.

502. I take it that the work must have been sufficiently complete to satisfy Sir Robert Stout, at all events?—I cannot tell you that. I have had no conversation with Sir Robert Stout upon the matter.

503. With reference to your suggestion to call these three men that you have mentioned. One of them, at all events, Mr. Gilliland, was he not said to have made a certain declaration and subsequently to that he swore that the declaration was false? Do you think the evidence of such a man before us would be of any use?—Well, it is not for me to say; it is for the Committee to determine. The Solicitor-General recommends that such evidence should be taken if a prosecution is to follow.

504. I will put my question this way: From the knowledge I have just given you, you still suggest that Mr. Gilliland should be summoned?—Yes.

*Hon. Mr. Richardson:* I think we ought to treat Mr. Brown's evidence as a statement more than anything else.

*Witness:* I am only speaking within my own knowledge.

505. *Hon. Mr. Richardson.*] There is only one question I would like to ask. You stated once that you had seen Detective Walker's evidence; and you stated more than once that you had seen the Solicitor-General's opinion on these cases, and that his recommendation was in a certain direction. I would like to ask how you saw these papers, when you saw the papers, and by whose authority you saw them?—As far as my recollection goes, it was a Minister of Lands who gave me the authority to see the papers, because they referred to matters within my own district; and, knowing what had taken place, as I have stated, I was desirous of knowing what had been done.

506. Which Minister was it; was it Mr. Ballance?—Well, it was, I believe, the Minister of Lands at that time.

507. Was it Mr. Rolleston or Mr. Ballance?—It must have been in Mr. Ballance's time.

WEDNESDAY, 13TH AUGUST, 1890.

ALEXANDER FRANCIS KENNEDY sworn and examined.

508. *The Chairman.*] You were an applicant at a late land-sale for Section 1, Block XIV., Woodville?—Yes, I was, amongst a large number of others.

509. How did you come to apply?—Well, Mr. Duncan (of Messrs. Ellison and Duncan), who was also an applicant, told me about it: that it was a good section, and worth more money than was put on it.

510. You made application then?—I did.

511. Did you not think it was somewhat strange that Messrs. Ellison and Duncan should advise you to compete with them?—Not at all. Mr. Ellison had nothing to do with it.

512. He was an applicant?—I knew nothing of that at the time. Mr. Duncan is a friend of mine, and mentioned the thing to me, that it was worth while applying.

513. There are three Duncans: Elizabeth, John, and James Duncan. What was stated in connection with it?—First of all, that it was a good section. I have a plan of the land; it was the section nearest the road-line, at 15s. per acre, and I was advised that it was a good limestone hill, and was likely to be worth a good deal more than that.

514. Did it not strike you as at all strange to put in an application against Ellison and Duncan, or that they should advise you to put in an application when they had already seven applications in?—No; I may say that I am very intimately acquainted with Mr. Duncan.

515. You would increase their chances?—Not at all. They were advised there were a great many applicants, and they thought mine might be put in; and Mr. Baker put it in.

516. You were required to make the necessary declaration that you were applying for it directly for your own use and benefit, and not for the use and benefit of any body else?—Yes.

517. Have you made any application subsequently for sections?—Yes.

518. Have you been successful?—Yes.

519. Was anything said to you by anybody asking you to take this up, and promising to take it from you if you were successful?—Well, it was stated at the time that a purchaser could be found for it.

520. Do you know who that purchaser was?—No.

521. Did you apply for this as a speculation, or with the intention of occupying it?—I only got information the day before that it was going on, and I had not made up my mind about anything, as to what I should do; but I was quite prepared to go on with it.

522. If you had been a successful applicant would you have gone on to the land?—I should have taken more advice on the subject.

523. Can you say that you only applied for it for your own use and benefit, and for the use and benefit of no one else? Do not I understand you to say that you were applying for it as a speculation?—It was actually so.

524. Who paid the deposit for you, Mr. Kennedy?—Messrs. Baker and Tabuteau.

525. And you did not converse with them with regard to this matter?—No.

526. Did they make any suggestions as to providing the means for satisfying the improvements if you were successful?—No; I could have done the improvements.

527. *Mr. Cowan.*] Were you aware that certain obligations were attached to this section, supposing you had been successful?—Yes.

528. In the way of improvements?—Yes. They were not of a very serious nature; they did not require a very heavy amount to do them.

529. Were you told how much?—Yes.

530. By whom?—Mr. Duncan.

531. Were you in a financial position to meet those obligations?—Yes.

532. *Mr. Smith.*] When you applied for this section were you aware, through your agents, Messrs. Baker and Tabuteau, that Mr. Baker himself was also applying?—I was not. I had not seen them at all in the matter.

533. You simply put it into their hands?—I applied through them. Mr. Duncan said, "I am going to put in my application, and I will get them to do yours at the same time." I saw Mr. Tabuteau when he came down to the Spit with other applications, and I went across to Ellison and Duncan's; I think it was there that I signed the application.

534. Whom did you sign it before, a Justice of the Peace, I suppose?—I do not remember whom it was signed before.

535. Did you sign it and leave it to Duncan to fix up afterwards?—I do not remember now. If the name of the Justice of the Peace was recalled to me I might remember.

536. Are you sure there was a Justice of the Peace present?—I believe so; but I would not like to swear to it.

537. It is only a short time ago?—This was in last November.

538. Was there anybody else signing applications at the same time?—I am really not very clear as to whether I went to town or signed it at the Spit. I know Mr. Tabuteau came to the Spit, but I cannot really remember where I signed it.

539. Can you remember if you read it over when you signed it, before whoever witnessed it?—I cannot remember who witnessed it.

540. You say you heard a rumour that some person was willing to give a bonus to anybody that was successful in securing the section?—Yes.

541. Did you learn the amount that was likely to be given?—I think it was £100.

542. Suppose you had been a successful applicant, and you had been offered £100, or some sum like that, would you have been prepared to transfer your interest?—I would not without further inquiry.

543. It was only the fact of there being a person who was willing to give £100 bonus that induced you to go into it?—Yes; that was actually the inducement.

544. Outside of that, you would not have applied?—No.

545. Supposing you had been offered a sufficient sum to have made what you thought a good bargain, would you have been prepared to transfer it if you found, on inquiry, that it would be a better bargain than keeping it?—I dare say I would, after inquiry; but I was quite prepared to take up the land if it was good enough.

546. If it would have paid you better to have done so, to sell it?—Yes; I would have done so.

547. Of course you have seen the names of some of those who have gone in?—I only knew the immediate few with whom I was acquainted—Ellison, Duncan, and myself.

548. According to the report of the Commissioner of Crown Lands, it appears that sixty-five applications were sent in on behalf of people for this block. Do you think this rumour *re* bonus had the effect of causing a number of applications more than would have been ordinarily?—I should think it would; I do not know. It did in my case.

549. In reply to the Chairman, you said that you went into this as a speculation, just as a great many more went into it. Are you not aware that the law is against speculation of this kind, as it at present stands?—I said that I was quite prepared to go on with the land, if I found on inquiry it was good enough.

550. You said you were prepared to part with it if you got a good bargain. I want to tell you, it is not your special case we want to get at, but all cases?—If I could have done better with the land by selling it than I could have done by holding it, I should have parted with it.

551. Of course, that is the point. Supposing you had been successful, and parted with it, do you not consider that you would be shutting out somebody else who would have been prepared to go and live upon it?—He would hardly give a bonus as a speculation, but only in event of his being a *bona fide* occupier. I should think it would have been very much better to have put it up to auction.

552. That is one of the things we want to get at: Whether the present system is the best one, or whether it would be necessary to make a change in the law?—The land was evidently put up at considerably less than its value. The upset price was 15s. an acre, and the land at the back was taken up afterwards at 25s.

553. *Mr. Rhodes.*] As I understand you, there was no understanding with Mr. Duncan or Mr. Baker?—No, nothing whatever; I had no understanding with any one, verbal or implied.

554. *The Chairman.*] I understand you to say that you really applied for this land as a speculation, and not for your own use and benefit, as in the words of the Act?—I can only repeat what I said before.

555. That is, you mean, had it not been that you heard that there was a prospect of selling it to advantage you would not have been an applicant?—I do not think I would. It was the day before the application closed that Mr. Duncan, who is a close personal friend of mine, met me and told me of this, that he himself was going in for it. He advised me to put in an application for it. I had not very much time to consider what I should do with it. Had I drawn it, I should have made further inquiries in connection with it.

GUSTAV HERMANN WEBER, sworn and examined.

556. *The Chairman.*] What are you, Mr. Weber?—Mercantile clerk in Napier.

557. You were an applicant some little time ago, were you not, for Section No. 1, Block XIV., Woodville?—Yes.

558. Under what system was that block to be taken up?—On perpetual lease; and at the end of six years I had to complete certain improvements, and then I had the right of buying it up.

559. How did you come to apply for this section yourself?—Well, I heard from my agents in Napier that it was a good thing to go in for, and I applied for that reason.

560. What is the size of the section?—It is about 300 acres; or 295 acres, marked on the map.

561. Bush land?—Yes; all bush land.

562. Did you apply for that section with the intention of taking it up for your own personal occupation?—Yes, I did.

563. Was it suggested to you by anybody else that you should apply for this section for anybody else?—No, it was not.

564. Have you had any conversation with anybody who suggested that you should apply for it, or that you should buy it?—No.

565. You had, of course, the regular declaration required by the Act with regard to it?—Yes.

566. There were a large number of applicants for it, were there not?—Yes; I believe there were.

567. Do you know any of the persons that applied?—I know about four or five of them, that is all.

568. I notice amongst them the names of a considerable number of females. I will read out one or two of them you might possibly know. There is Helen Alexandra Ellison?—Yes; I know her.

569. That is the wife of Mr. Charles Weber, merchant, of Napier?—Yes.

570. I notice, again, the names of John Peebles and Jane Anne Peebles. Do you know either of them?—No.

571. The section fell eventually to Mr. Sowry, I think?—So I heard; but I do not know for certain. I did not trouble about it.

572. Then you say positively that you applied for this section not directly or indirectly for the use of any other person or persons whomsoever?—Yes; I can say that.

573. No one offered you a premium for this section in the event of your being the successful applicant?—No.



574. Did you hear in Napier of such being the case?—No, I did not.

575. *Mr. Smith.*] I would ask Mr. Weber this: You said in reply to the first question of the Chairman that you applied for the section on the recommendation of your agents. Who were your agents?—Messrs. Baker and Tabuteau.

577. Did they ask you to go in for this block?—No.

578. You say they recommended you. In what way—verbally, or by letter?—Verbally; Mr. Tabuteau is a personal friend of mine. I met him in the street, and he told me such a thing was coming on, and I might just as well apply for it. I saw that I could afford to do so, and I went in for it.

579. But he told you that it was likely to be a good speculation if you got it?—Yes.

580. Did you know at that time that Mr. Baker, one of the firm, was also going in for it himself?—No.

581. Did you know since?—No.

582. Did you intend to go and reside on that block, supposing that you had been successful?—I would have fulfilled all the improvements, and then I would have seen how I could arrange it. I could not tell for certain whether I could reside on it or not.

583. You had not made up your mind whether you would go up and live on it or not?—No.

584. Supposing you had been the successful applicant, and your agents had told you that you could have got a considerable bonus on what you paid for it, would you have put it in the market?—Yes; as soon as I had completed the purchase of the section, and I had a good offer, I most probably would have sold it.

585. What I want to get at is: At the time or immediately after the sale, supposing you drew the section, and your agents said to you, "We can get some one to take this off your hands at a considerable increase," would you have been quite prepared to let it go?—No, I would not.

586. Did you ask your agents previously to look out for a block for you?—No, I did not.

587. This was your first application, and you did it at the recommendation of your agents. Did you put in the application through your agents, or direct?—I put it in through my agents.

588. And, virtually, you applied for this block at the request of your agents, Messrs. Baker and Tabuteau?—No, not at the request, on the recommendation.

589. And they acted as your agents in the matter?—Yes.

590. You read the newspapers, I suppose?—Yes.

591. The *Hawke's Bay Herald*, for instance?—Yes.

592. There was a statement in that paper that a member of the Land Board, Mr. Rechab Harding, had said that an offer had been made of a certain sum to any person who would have applied for that section?—No. It is the first I have heard of it. I did not see that paper.

593. You did not read the account of the Land Board proceedings when you were an unsuccessful applicant?—I do not remember it. I might have read it.

594. Who told you that you were an unsuccessful applicant?—Through my agents. As soon as it was over I rang up on the telephone to find out.

595. Virtually, you were entirely guided by your agents in this application?—No. I read all the particulars, and understood the whole thing, before I went in for it.

596. Suppose your agents had not recommended you, you would not have gone in?—No. If they did not recommend me, I would not have gone in.

597. I notice in the list of applicants there is a Miss Hilda Anne Weber?—She is a sister of mine.

598. Can you tell how she came also to go in for the same section?—No.

599. Did you not converse with her about it?—No; but I knew she had gone in for it.

600. Who told you she had gone in for it?—She told me herself.

601. She told you herself?—Yes, I know; but I did not know anything at all about it. I knew she had gone in for it.

602. On whose recommendation did she apply?—I could not say.

603. Surely, when you were talking about this going in for the section, she would have told you how she came to apply?—No, she did not.

604. And you never heard whether anybody recommended her to apply; it is a very particular thing—

605. *The Chairman.*] Did you live in the same house, Mr. Weber?—Yes.

606. She was also an unsuccessful applicant?—Yes.

607. Do you know from your conversation with her how she intended to fulfil the conditions of this, supposing she had been a successful applicant?—I did not converse with her on the matter at all. I knew she had gone in for it. It was done through Messrs. Ellison and Duncan; they arranged the whole thing, and I had nothing at all to do with it.

608. You must have had some talk about it surely; you were both living in the same house, and applied for the same section. Usually, when relations are going to bid against one another, they talk the matter over. What this Committee wants to get at is, as to whether the applicants in these cases or in any other cases applied for the land entirely for themselves or for speculative purposes. That is the reason I am asking you these questions. Now, what means have you for carrying out the improvements?—I am earning a salary.

609. Do you know how much the improvements would cost?—They would cost £22 the first year, £22 the second year, and £22 at the end of six years—£66 in all.

610. *Mr. Smith.*] Are you sure that is sufficient for a block of 200 acres?—That is all I understood was required to be done, it being second-class land.

611. First of all there is the rental. You understood you had to pay £22 per annum, that is for improvements, and the rental came to —?—£9 16s. per annum. I understood what I was going in for, and what it would cost me, and everything.

612. And you could have afforded to have paid this £31 odd a year?—I could have.



613. And you absolutely, Mr. Weber, say that you had no intention, if you took up this land, of parting with it until you had done the whole of the improvements required by law?—Yes.

614. *Mr. Rhodes.*] Had Mr. Baker acted as agent for you before?—He had acted in connection with our own property, belonging to the family, but not in connection with any Government land at all.

615. Had he not done work for you privately?—Yes, he had.

616. Was there any arrangement as to who should pay the money for the land—the deposit? Did Mr. Baker deposit?—Yes, Mr. Baker deposited it for me.

617. Was there any arrangement about payment? Did you settle the terms?—No.

FRIDAY, 15TH AUGUST, 1890.

W. W. McARDLE, Member of the Wellington Land Board, examined.

*Witness:* I have read a leader in the *Pahiatua Star*, also an extract from a newspaper containing a letter signed by Mr. Howlett. Well, in explanation, I will inform you of the facts of the case: My daughter applied for a section of land about twelve months ago; she was then just past nineteen years of age. Since that time she became engaged to be married, and, owing to the fact that her intended, now her husband, was a property-owner, and did not wish to have anything to do with the land, she parted with her interest. Particulars were sent down to Mr. Marchant with the application. I never interviewed Mr. Marchant or any member of the Land Board with reference to the transfer. Mr. Marchant brought it up in the usual way, stating that he had no objections to offer to the transfer. The transfer was agreed to by the Board on the voices. As a member of the Land Board I took no part in the transfer, neither have I any interest whatever, nor did I ever have any interest, in the section. The facts as stated in the report by Mr. Marchant are correct. I might say that Mr. Black, the editor of the *Pahiatua* paper, stated to me that his reason for putting in the article was that people were under the impression that my daughter had been favoured in getting a transfer as compared with other applicants. I have explained in my letter to him that this was not so. Some time ago a very stringent rule was passed by the Land Board in order to prevent, as far as possible, dummyism. One of the conditions imposed by the Board was that, unless a person made a declaration that he was leaving the district, his transfer was not agreed to. I may say that all along I have been opposed to this course, because it induced a great number of people to make declarations which were not exactly true. A few meetings ago the Board resolved that in future every application should be considered on its merits, and if they were satisfied that a better class of settler was found in the new applicant than the present one who was parting with his interest, that would be the principal condition on which to agree to the transfer; and this course has been followed. This course might have a tendency to induce speculative applications in the first instance in the hope that transfers might be allowed afterwards. I do not believe that a great deal of this sort of thing has been going on; there may have been a little. In the bush districts there are a great many drawbacks to settlement; the men very often find that they have taken up land without sufficient capital to carry out improvements and to occupy the land. You must in these cases either transfer their interest or sacrifice the money they have put into the land. With reference to the question of dummyism and false declarations, I am very strongly of opinion that the ballot system is a mistake. Neither do I believe in the auction system. But I understand there is a system in vogue in Victoria where the applicant has to appear before a Commission and to make what statement he may think proper. Then, from the applicants, the Commissioners usually select the man they think most suitable. Of course this has its objections, as every system has, though it is said to work very well. A gentleman who is well aware of the way in which the Act is worked in Victoria has informed me that it had done a great deal towards stopping dummyism, as there is a searching inquiry into the character of every man's application. I think there may be a few cases in the Forty-mile Bush that might be looked upon as partly dummy cases, but I do not think there are many.

TUESDAY, 19TH AUGUST, 1890.

Mr. JAMES DANIEL CLIMIE examined.

618. *The Chairman.*] What are you?—I am a District Surveyor. I have been lately surveying in the Puketoi district. I have surveyed these blocks referred to by Mr. Marchant.

619. Would you be kind enough to tell us anything you know about this question that will help this Committee in its inquiries?—I really know very little about it. It is understood that people wishing a section have sent in a number of applications to enhance their chances of getting that favourite section.

620. Do you know of these cases yourself?—Well, I have heard it in general conversation in my camp amongst the applicants. It has been done.

621. Is that for sections which are taken up on purchase, or other systems?—Perpetual lease and deferred payment.

622. Are they bush sections?—All bush—yes. Two blocks which I have surveyed have been especially sought after—namely, the Tiraumea-Makuri and the Makuri-Puketoi Blocks, inasmuch as for a single section in one case there were 100 applicants.

623. All these applications would come in to the Land Office, Wellington?—Yes.

624. Otherwise, I suppose you know nothing, except what you hear people talking about?—Just hearsay. I only know of two instances on my block of people being in occupation of more than their legal quantity. They may be really acting as agents for the other people.

625. How long have these selections been taken up?—Just about twelve months. In October and August of last year the sales took place.

626. Are any of them occupied?—They are nearly all occupied. They are nearly all residing on their sections in my blocks, and very extensive clearing is going on. Out of one block of 27,000 acres, last year there were 5,000 acres cleared, and I believe about three-quarters of the 27,000 acres will be cleared this year.

627. Genuine settlement is going on there?—Very much so.

628. *Mr. Smith.*] It is close to Pahiataua?—About fifteen miles to centre of block. People have come in droves from all over the colony to this Puketoi country. Many from Dunedin and Canterbury.

629. Is it limestone?—Yes; and some papa.

630. What was the price?—It was put up at £1 5s., and the last block went up to £1 12s. 6d. and £1 15s. for the first-class sections.

631. You have had some experience, Mr. Climie: can you tell the Committee if the present system of application is satisfactory—that is to say, when persons are applying is it not a kind of speculation now as to whether they get the section or not?—I think it is very much in that position: it is quite a lottery. I have known people who have not applied because they have known it would be next to useless.

632. There are, I suppose, numbers of disappointed applicants at these sales?—Of course, when only one is successful out of a hundred.

633. I suppose that was the reason people duplicated their applications?—To enhance their chances—yes.

634. It is well known in the district?—It is common report that people do get other people to put in applications to enhance their chances. In a great many cases they have been relations.

635. They do not care to trust strangers with them if they can help it?—No.

636. Do you think there was any speculation in the matter—that is to say, persons going in for this block, not with the intention of taking it up themselves, but to transfer it to others?—I think that has been very general throughout the whole district.

637. A good deal of it?—Yes.

638. That is, speculation by means of a transfer?—Yes, afterwards at increased prices.

639. That is really what the Committee is inquiring into; that I look upon as dummyism—when a man has no intention of residing or improving, but intends to sell his chance to somebody else. There has been a good deal of that in the district?—In the case of several sections in my block people have not intended to reside; if they could get a transfer they preferred to sell it.

640. As soon after as possible?—Yes, as soon as they could get the transfer.

641. Do you know if there have been many transfers made in that block?—The Wellington Land Board, and the Commissioner in particular, I know, strongly set their faces against transfers unless a person can show good grounds for it.

642. But lately I have noticed there were a large number of transfers granted; there did not seem to be much trouble about them?—No.

643. You do not think the law requires altering to prevent that kind of thing being possible?—I have often thought that the law should be altered in the direction of the Victorian system—for instance, I have thought that the Board should make inquiries as to suitability of applicants; and when transfers are asked for, the land ought to revert back direct to the Government, and let them sell it over again.

644. *The Chairman.*] The Crown would then get the benefit of the difference in the price, whatever it might be?—Yes.

645. *Mr. Rhodes.*] Are most of these sections sold or transferred, do you think, before the improvements are made?—The improvements are subject to the approval of the Ranger. I do not think they have been done in all cases.

646. Are the improvements done by the purchaser, and not by the original tenderer, in many cases?—By the purchaser, but I do not know for certain.

647. *Mr. Thompson.*] Have most of the transfers taken place in cases of land obtained direct from the Government or within the limits of the special settlement associations?—I think more in the special settlement blocks, as far as I have observed; but I cannot speak with any certainty on that point.

648. Have you any idea that any of these special settlement blocks have been taken up largely for speculation?—Well, a number of people in the special settlements have taken them up with that object, I believe. I do not know—taking them as a body—if they have done so. I know of individual members of these associations who have taken it up as a speculation.

649. *Hon. Mr. Richardson.*] As far as you know, are you aware of anything like the same proportion of speculative acquisition of land direct from the Government as there has been through these special settlement associations in your district?—I think there has been nearly as much. There has in my blocks.

650. Nearly as much in one case as in the other?—I think so. The sections have been larger in my blocks, and there has not been such a number of applications in the same area, of course.

WALTER WILLIAM BODMIN examined.

651. *The Chairman.*] What are you?—I am a farmer, residing at Blackbridge, Lower Hutt.

652. We are told that you have stated in the Land Office, Wellington, that you know of cases of dummyism in your district?—I made some such statement: it was more in a joking way at the time, though it was not without some foundation.

653. Can you give the Committee any information at all in that direction?—Well, I know of it in a general way, having heard of a great many cases. One especially I might refer to, and a

short time ago the subject was brought up among a few gentlemen in the train in which I was travelling down from Napier. They gave two or three instances of very clear cases.

654. Can you specify any particular cases at all that you know of?—I was going to specify this case that I was speaking of just now.

655. What case was that?—I merely relate it to you as the conversation took place. It was the case of a man to obtain a section, and made application for it. He found out afterwards that there was another gentleman who was making application for the same land, and had got seventy of his friends and relations to apply for it; at any rate, he put in seventy applications. The first-named gentleman, however, put in his one application, and was fortunate enough to get the section, while the seventy other applicants were, of course, unsuccessful.

656. Do you know the names of any of these men?—No; they were quite strangers to me. They were talking amongst themselves in the train, and it was some distance from home.

657. Do you know the names of any of those applicants?—No. I did not think of asking any questions, as these gentlemen were total strangers to me.

658. Do you know of cases yourself?—I do not know individual cases that I could point to with any certainty. Of course, it is one of those things you hear spoken of all around you, and if you are not acting the part of a detective and hunting the thing up you can know nothing for certain—you can only judge from what you hear talked of.

659. Would it be difficult, do you suppose, to find, or could you suggest, any gentleman who might give you some assistance?—I should name Mr. Cattle.

660. Who is he?—I first heard of it through him. I felt rather interested in the subject, and hoped there would be some change in the law. In talking about it I said, "You might just as well put a pound in the Melbourne sweep as apply for one of these sections. There is very little chance of getting any land unless you have friends and can put in applications through them." I had been thinking of taking up some land for my sons, but knew it was of no use applying.

661. *Mr. Smith.*] You think the system has grown to be such that, unless a person has friends, or does what is contrary to the spirit of the Act, he has no chance, or his chances are very small?—I am certain of it.

662. And the effect of it is that you gave up the idea of going in for any sections of that kind?—Yes.

663. *Hon. Mr. Richardson.*] Have you ever applied for land at the Land Office?—Yes; I have one section.

664. Have you applied recently at the Land Office?—No.

665. You have not been looking for land?—No.

666. Why do you say that except you have a lot of friends you have no chance?—I consider you have one chance amongst eighty; and perhaps amongst that eighty there may be only three or four *bona fide* applicants.

667. Until you have been to the Land Office to make an application, do you think you are justified in making these statements?—I do, because I believe them to be the case, and I hear very many people speaking in the same manner.

668. What are your grounds—merely hearsay?—Of course, you may call it hearsay, but I feel so certain of it that I could not be more certain if I knew the individual cases.

669. Then, you have to withdraw what you said just now that a man requires a lot of friends before he can obtain a section?—The sections are to be obtained by ballot.

670. No section is balloted for unless there is more than one applicant?—In the case of a good section you may be sure there would be more than one applicant.

671. As far as I can make out, all your evidence that we have been taking down is what you have heard other people say?—Precisely.

The COMMISSIONER of CROWN LANDS, Napier, to the UNDER-SECRETARY, Crown Lands Department.

Crown Lands Office, Napier, 18th July, 1890.

*Section 1, Block XIV., Woodville.*—In compliance with your telegram of 17th instant, I have to report as follows upon the circumstances connected with the applications received for this land:—

Mr. Alexander Peebles, the owner of adjoining freehold land, applied to the Land Board to purchase the section, upon which valuations were obtained varying from 10s. to 15s. per acre. The latter price was adopted, and the land was notified for selection as unsurveyed, in terms of section 18 of "The Land Act, 1887."

Sixty-six applications were received in all; but five of these were ruled out of the ballot on account of deficient deposits or some other informality, thus leaving sixty-one applicants to draw. While the drawing was proceeding, Mr. H. Baker protested against certain persons being admitted to the ballot, on the ground that they were selectors in the Wellington District; but, as this office could not reasonably be expected to know the status of such selectors, the drawing was allowed to proceed, and the section was drawn by Mr. Joseph Sowry, whom the Land Board (then sitting) decided to accept as the successful applicant. Messrs. H. Baker and E. J. Gothard then appeared before the Board and reiterated their protest. The Board held to its decision, but informed these gentlemen that it was open to them to appeal against it; and this they did shortly afterwards. In the meantime the circumstances were reported by me to the head office, and inquiries were made at the Wellington Land Office as to the eligibility or otherwise of the persons taken exception to, with the result that Mr. Sowry was the holder of a deferred-payment section in one of the Wellington special settlements, and that eight other persons who had been admitted to the ballot were in the same or similar positions.

So far I have stated matters of fact, but in some of what follows I shall have to touch upon matters of inference or hearsay.

Before the time came for the appeal to be dealt with as provided by the Land Acts, it was very generally believed that Mr. A. Peebles was so anxious to obtain the land that he was prepared to give a large premium to whoever drew the section, in order to secure it. It is, at any rate, certain that the great majority of applicants were persons engaged in town occupations, and that the circumstances of many of these were such as to preclude the possibility of their complying with any of the essential conditions of the land-laws. One firm alone is believed to have had sixteen representatives in the ballot.

There is also some reason for believing that a genuine settler caused some of his friends to apply in order to increase his chances.

About a month after the drawing the Land Board proceeded to deal with the appeal, and resolved to recommend Government to withdraw the section from selection under the first notification, and to offer it for sale at auction, on the ground that Mr. Sowry must be held to be disqualified, and that if the land was worth more than the price originally placed upon it, the difference should go to the Treasury rather than into the pockets of speculators. This recommendation was approved, and the land was withdrawn under the authority contained in section 103 of the Land Act of 1885, and ordered to be offered for absolute sale at auction three months after withdrawal. Mr. Sowry then appealed to the Supreme Court to compel the Land Board to accept him as the licensee, but, so far as I am aware, the Court has not yet given judgment.

Taking all the circumstances into consideration, the conclusion I have arrived at is that this was a case of dummyism of the most pronounced kind.

G. W. WILLIAMS,  
Commissioner of Crown Lands.

The Under-Secretary, Crown Lands Department, Wellington.

FRIDAY, 29TH AUGUST, 1890.

EDWARD ALEXANDER HAGGEN sworn and examined.

[This evidence has not been revised by the witness.]

672. *The Chairman.*] What are you?—I am a journalist, residing at Woodville.

673. *Mr. Smith.*] I suppose you remember the drawing for Section No. 1, Block XIV., Woodville?—I do.

674. You were not an applicant yourself—you had no interest in it?—None whatever.

675. You know Mr. Joseph Sowry, of Woodville?—I do.

676. He was the successful applicant?—He was.

677. Will you just tell the Committee what you know about this application for the section, at the time he put in the application, or since the refusal of his application?—An intense amount of interest was taken in the drawing for the section, owing to the fact that it was recognised to be rather a good bargain for any one who got it, as it was said that Mr. Peebles would probably be induced to pay £100 to the successful applicant for a transfer. Under the circumstances I had arranged for a special telegram to be sent from Napier giving the name of the successful candidate. Just as I received the telegram after the drawing in Napier, I met Mr. Sowry in the street, and I said to him, "You got the section at the Gorge." He said, "What section? what about it?" He seemed to be rather astonished. I told him he seemed to have been an applicant for the section. He remembered then that he had been an applicant, and said that Mr. Peebles had asked him to put in an application for him (Mr. Peebles). It was not like his usual luck, and if it had been for himself most probably it would not have been drawn out. That was the conversation I had with him. That was on the day on which the drawing took place.

678. Did you have any further conversation with him in reference to this section?—Not at that time, but, hearing afterwards that he repudiated any connection with Mr. Peebles in the matter, I asked him if he was going to transfer that section to Mr. Peebles, as that was what I understood was his arrangement. He said, No, he never dreamt of such a thing, he was astonished that people should suggest such a proposal.

679. Did you remind him of his former statement?—I had some unpleasantness with him; I did not do so.

680. Was there a rumour in town with reference to £100 that Mr. Peebles was willing to give as a bonus to any one who transferred to him?—Yes. The position was simply this: It was known that Mr. Peebles was anxious to get the section, and, in fact, I do not think that many of the settlers in the district would have gone in for the section at all had there been any chance of Mr. Peebles obtaining it in the ordinary way. Some, I know, went in out of friendship to Mr. Peebles. They thought it would suit him, and as a matter of common kindness they were willing to go in for the section and hand it over to him. Afterwards some of them expected to get a considerable bonus out of him for doing it. That was the general rumour, I understood.

681. You are of opinion that at the time he was willing to pay a considerable sum to any one who would transfer the section to him if they had drawn it?—

682. One witness stated that Mr. Sowry told him that he had an offer, since the decision of the Supreme Court on the matter, of £150 bonus?—I have heard something of that, but I do not know anything of the particulars.

683. He did not speak to you about it?—Yes, he did; but I told him I did not wish to hear anything about it.

684. *Mr. Cowan.*] Mr. Peebles did not tell you that he was prepared to offer a sum?—No.

He mentioned to me before the drawing that a good many were going in for the section to get something out of it, but they were mistaken in thinking they would get a bonus from him.

685. What you are telling us is simply hearsay?—Exactly so.

JAMES MORGAN sworn and examined.

[This evidence has not been revised by the witness.]

686. *The Chairman.*] What are you?—I am a dairyman living at Woodville.

687. *Mr. Smith.*] You know Mr. Joseph Sowry?—Yes.

688. The successful applicant for Section 1, Block XIV., Woodville?—Yes.

689. Has he at any time stated anything to you about this section—about the drawing for it or anything?—Yes; I think on the day he put in for it. I think he put in that morning, and drove out to my place in the afternoon.

690. What did he say to you then?—I could not tell you the exact words.

691. Give us the sense of what he said?—He said he met Mr. Peebles in the town, and Mr. Peebles asked him to go in for this section, and he thought it would do him a favour to go in for the section.

692. That is, to go in for the section for Mr. Peebles?—Yes; that is the impression he left on my mind. The exact words I could not say, as I never expected to come here.

693. You believe, from what Mr. Sowry told you on the day the section was drawn for, that he was going in for the section for Mr. Peebles, and not for himself?—Of course that is what I understood; and that he would make some arrangements afterwards.

694. What did you understand by the arrangements he was to make afterwards?—I thought that the section was very handy to Mr. Peebles's, and that he was doing this out of kindness.

695. You understood that Mr. Peebles would give him something?—Yes.

696. Have you had any other communication with Mr. Sowry at any time?—No; not since. Mr. Sowry has not spoken to me since.

697. Has Mr. Peebles spoken to you about this section since?—I saw him when he came back from Napier.

698. What did you say to him?—I said I thought he had good luck in getting it. He said, "What do you mean?" I said I knew all about it. He asked who told me, and I said Mr. Sowry had told me. Then, of course, he acknowledged it—that Mr. Sowry had put in for the section for him.

699. *Mr. McKenzie.*] Were you an applicant for this section yourself?—No. Mr. Peebles and I were neighbours, and I did not wish to be in opposition to him.

700. Were you an applicant for other land at the same time?—No.

701. You have no direct interest in any way?—No; none whatever. I was very sorry to have to come here.

702. *Mr. Kerr.*] You did not understand from Mr. Peebles or any one else that he had given Mr. Sowry the deposit to pay?—Well, it is a long time ago now—nearly nine months—and I forget whether I understood that money or not. I cannot give you the exact words, but I should like to make it clear. Mr. Sowry said he saw Mr. Peebles in the town, and Mr. Peebles asked him whether he would go in for the section, as there were a lot going in for it. He was staggered at first, and said he was not going in. Mr. Peebles then said, "You can give me your name," and he did so.

703. Can you understand how Mr. Peebles found the money?—Mr. Peebles had the money ready. I must say I did not think there was any harm in it.

704. Did you hear of Mr. Sowry being offered a handsome profit on it?—I heard something of it, but I have no knowledge of it.

ROWE FENNELL sworn and examined.

[This evidence has not been revised by the witness.]

705. *The Chairman.*] What are you?—Clerk to the Woodville Road Board.

706. Living at?—Woodville.

707. Do you know Mr. Joseph Sowry, the successful applicant for Section 1, Block XIV.?—Very well.

708. Have you had any communication or talk with him at any time with reference to this section?—Yes.

709. Did he first speak to you about it?—I could not say, but it was about the section he was in for.

710. What did he say to you then?—He told me he had put in for Mr. Peebles.

711. On behalf of Mr. Alexander Peebles, senior, I suppose?—Yes.

712. He told you that before the drawing?—Yes.

713. Did he tell you anything after the drawing—after he had been the successful applicant?—Not until the other day.

714. Not until a day or two ago?—About a couple of weeks ago.

715. What did he say then?—We had a conversation about it, and I told him what he had stated to me, and he denied it.

716. I understand you to say that he denied that he had made that statement?—Yes.

717. Did he tell you absolutely that he was going in for that section for Mr. Peebles, and not for himself?—Yes.

718. Did he tell you at any time that he had an offer of £150, or anything like that, as a bonus for this section?—Yes.

719. When did he tell you that?—I think he told me on the day that the wire came stating that the Chief Justice had given a decision in his favour.

720. And he said he had an offer?—He met me going into the post-office, and told me that a man had made him an offer of £150 on the bargain.

721. Did he say who it was?—No, he did not tell me who it was.

722. That was immediately after the decision in the Court case had reached Woodville?—I believe so: it was either then or the next day.

723. Did he say whether he was going to accept the offer or not?—No, he did not say.

724. Are you aware of any rumours or statements in Woodville that Mr. Peebles was prepared to give a bonus to any one who would transfer this section to him?—People were talking in that way at the time the drawing was on.

725. *Mr. McKenzie.*] Were you an applicant yourself for this section?—No.

726. Were you an applicant for any section in the district at that time?—No, I have never applied for a section from the Government yet.

727. Did you hear Mr. Peebles say this yourself—that he would give £150, or was prepared to do so?—He told me he would give no such thing.

728. That he would give no such thing as £150?—Yes.

729. You tell us that you heard a report in Woodville that Mr. Peebles was prepared to give something like that sum as a bonus for that section: did you ever hear Mr. Peebles himself say so?—Mr. Peebles told me at the time the section was being put up for application that, if anybody put in an application for the section with the idea that they were going to get a bonus of £100 from him for it, they were very much mistaken.

730. You heard Mr. Peebles say that yourself?—Oh, yes!

JOSEPH SOWRY sworn and examined.

[This evidence has not been revised by the witness.]

731. *The Chairman.*] What are you?—An architect and inspector, Woodville.

732. You are also a Justice of the Peace, are you not?—Yes.

733. You were an applicant for Section 1, Block XIV., in November last?—Yes.

734. Under what circumstances did you apply for it, Mr. Sowry?—Of course, as a Justice of the Peace I filled up a good number of papers, and saw a good many people who discussed the matter with me and wanted to know if I was going in for it and so forth. This was on the day before the drawing took place. I said I looked upon it as a lottery, knowing that a large number were going in for it. On the Saturday prior to the sale I went to the Woodville Post-office to get one of these forms. I had already talked the matter over with my wife several times. I met Mr. MacMaster, the Government Inspector of Lands, and he said something to me about it. He said, "Haven't you gone in? Are you too late?" I said, "It does not matter. I should not have much chance of winning a section." And so the matter rested until Monday, when I filled some more up and had some more conversation. On Tuesday, about noon, or somewhere about that time, Mr. Peebles and his son Sandy came into the office to get a declaration signed before me. Of course I have known him for a good number of years. He said, "You are going in for this section yourself, I suppose. Nearly everybody is going in for it." I said, "It is not much good; I never won anything in my life. It certainly is quite a lottery now." I must have filled up over thirty papers myself, and Mr. Hall as many. We turned out about sixty between us. Of course that is only a guess, as I have not got any record. Well, I filled up the paper and that sort of thing, and he said, "You are not going in for it?" I said, "I went for a paper on Saturday, but could not get one." He said, "I have got a paper here. You had better go in for it." I said, "It is rather late now." "Well," he said, "you might as well go in." I said, "It is rather late now, and, besides, I have never won anything in my life." At last I said, "I have a good mind to go in," and I took the paper from him and filled it up. When he was going away I said to him, "Are you going down to Napier yourself?" He said, "Yes, I am going to town to see the drawing." I said, "You might as well take it with you and save the twopence." As there was no Justice of the Peace in the place besides myself, and I could not witness it myself, being my own paper, I had to go over to see Mr. Burnett, solicitor, who certified to it. I came back and attended to some matters, and Mr. Peebles came in and said he was going by the coach that was standing outside waiting to leave for the train. I said, "What will you do about a cheque?" He said, "Never mind about that. I am just going to the bank now; I will do that for you." I do not think I had that much money in the bank at that time, quite. The amount required was £40 8s. 9d. He said, "All right; I will hand in another cheque." Well, I did not think anything more about it, really. There was one thing I omitted, though. When I went in for the section I said to Mr. Peebles, "If I get it I will come and live neighbour to you, Alick. I am getting rather tired of town life. I shall certainly come out there." He said, "I would rather have you for a neighbour than ; but I mean to have it. I am having seven shots at it." I said, "Oh! good gracious! how is that?" He then told me some of the names of his family who were in for it: he had put in the lot—sons and daughters. Well, the thing was sent away, and I thought no more about it at the time, until I heard from Mr. Haggen next day, on Wednesday. About noon, when I was going up the street, I met Mr. Haggen and another person. He said, "What about the section?" I thought he was referring to another section which I was disposing of at the time, and I said, "I am going to sell it." He said, "I thought you were in for the section." "What section do you mean?" I asked. "The section near Alexander Peebles's," he said. "Yes," I said, "I was in for it." He said, "Joseph Sowry has drawn it, but Mr. Baker has objected on the ground that some person has gone in for it who is already the holder of land, and therefore there was a protest lodged against it." But it was disallowed, because I got notice next day allowing the land to be allotted to me. Then I got another notice from the Commissioner informing me that a protest had been lodged against the issue of the license. It would not be issued until the next meeting of the Land Board. The Land Board met, and they decided not to give me the section, but they recommended the Government to withdraw it and offer again for cash. Of course I admit that I was very much surprised when I won this section. Nothing in my life ever surprised me so much. Still, I felt a little bit put out, after winning it out of sixty, that it should

not be allowed. I then communicated with Mr. Morison, solicitor, of Wellington, who started business once in Woodville, and I cut out and sent him all the reports from the papers of Hawke's Bay. I wished to have his opinion as to whether I could not get this land. The result was, he advised me to appeal against the decision of the Board. That extended over nine months, at any rate, with the result that the Judge has allowed the appeal with costs. I may say that it has caused a good deal of talk and interest in the district.

735. Going back to the time that Mr. Peebles came into your office, did he ask you to go in for this section on his account?—No, by no means.

736. You said just now that he suggested to you that you should go in?—Just in the same way that others had done before.

737. Would not that have lessened his chances?—I suppose it would.

738. Were you on such intimate terms with Mr. Peebles that you thought he was doing this as a matter of friendship to you?—Well, I have been in the district a long time—in fact, I founded the settlement upon which he has a section.

739. If he says he asked you to go in for the section on his account would he be speaking the truth?—No. He denied the same thing in my office the other day.

740. *Mr. Cowan.*] Before whom?—Before myself.

741. Before no witness?—No. He came into the office since the trial and wanted to make arrangements about this section.

742. *The Chairman.*] Did he tell you to pay the deposit?—Yes; and he said he would get the cheque, exactly in the way I have told you.

743. Did he show you the cheque in your office?—I do not know, as a matter of fact, whether it has ever been paid. I did not see it.

744. Would the section have been allotted to you if you had not paid it?—I could not say.

745. Have you taken any trouble to repay the amount?—I told him I would pay it.

746. Have you made him any tender of it?—No; I told him I would pay it.

747. Do you not think it would give him some colour for supposing that you were going in for the section for him, when you first stated that you were not going in, and then going in for it, and afterwards asking him to take your application to the Land Office and pay the deposit?—It might give him some colour. I never thought of it at the time. As to taking the paper to town, there was scarcely time to post it. I should have had no difficulty in getting a cheque if I had wanted it. It was simply a matter of time; it was all done on the spur of the moment.

748. *Mr. Smith.*] Do you state absolutely that when Mr. Peebles spoke to you about the section you told him that you were not going in for it yourself?—I said it was no use going in. I could not get a paper, I told him. When I went in I said, "I suppose it does not matter if I do not win it." It was entirely a chance. I scarcely thought it worth while troubling about it.

749. Then you absolutely did nothing about going in for it until Mr. Peebles spoke to you?—I had before up to the Saturday when I went for the paper.

750. You had not gone in for it?—I had not taken any further steps.

751. Suppose you had not gone in for it until you had seen Peebles, it would then have been too late?—It was the last time you could send applications in.

752. Therefore you virtually sent in your application at Mr. Peebles's suggestion?—Yes, on his producing the paper.

753. And you did not promise him that you would go in for this section for him?—No.

754. Have you told any person or persons in Woodville, either before or after you drew the section, that you were going in for the section for Mr. Peebles?—Not that I know of. I have heard it was rumoured so. I have a large family of grown-up boys, and they told me that it was rumoured about the place that it was so.

755. Not that you know of?—Not that I remember.

756. Did you or did you not—because that is a very important thing? Did you tell any one that you went in for him?—I have no recollection of doing such a thing—not the slightest. I never remember doing anything of the sort to any one. Of course the thing has extended now over twelve months.

757. It was only nine months. You stated in your evidence that Mr. Peebles said he was having seven chances, or shots, at it. When he had a talk with you afterwards did he tell you how that seven was made up?—He told me at the time, I think, they were all members of his family. In fact, there was a son-in-law, as far as I remember.

758. Can you tell us how the seven was made up?—I am not quite sure. There was himself and his wife, two of his sons, I understand—that was four—and his daughter and her husband. I think that was the way. I would not be positive of that. It was just an off-hand expression at the time. I did not think much of it.

759. Do you know, Mr. Sowry, that your explanation about these seven applications bears out what Mr. Peebles says, because you have only given us six names? You might have forgotten one. In fact, we have the papers before us, and Mr. Peebles in his statement says that the seven applications were made up of five of his family, Mr. Barrott, and yourself?—I never knew of that before. I knew nothing about that.

760. I am only pointing out that you agree with him that to make up the number he includes your application. On what plea did the Land Board refuse to give you this section, if you were the successful applicant?—As far as I remember, quoting from memory, they refused to allot it on the ground that several persons who had gone in already held leasehold land—Mr. Menteith and others. I saw this in the newspaper reports. I got a notification that it was my section.

761. Did they absolutely refuse to give you this section?—Yes.

762. Why did they?—On the ground, at the second meeting, that I had had a deferred-payment section within two years. That was the ground—that I was a deferred-payment holder.



There is a clause—No. 9, I think—which prohibits any person taking up a section within two years of holding a section on deferred payment.

763. You had a section, I understand, in the Wellington District?—That is, we have been paying for it for about four years. It was a special-settlement section.

764. You had not paid up the whole of the deferred-payment money at the time you bought the second section?—I do not think the law requires that.

765. This matter of appeal to the Supreme Court was not whether you had put in an application for somebody else, but as to whether you, as a holder of a deferred-payment section, could legally apply for this section at all?—Yes; that is right enough. And the judgment was that, the section already held being a special-settlement section on deferred payment, it did not come under the definition of a deferred-payment section under clause 9 of the Act—at least, that is what I understood from the report.

766. The Judge did not award you a section?—He allowed the appeal, with costs.

767. The Land Board contend that the judgment is that you were entitled to the section if the question was simply as to whether you were already the holder of a deferred-payment section—that is to say, the law allows you the section if you applied legally?—Yes.

768. But the Land Board, at its last meeting, refused to grant you the section?—I have had no official intimation of any kind. According to the newspaper reports, they decline to grant it for the present. That is as quoted in the *Herald*.

769. Because there is some rumour of dummyism?—Evidently that was the reason; but I have had no communication from Mr. Williams of any kind—not a single word. I looked upon it as a settled thing when the Supreme Court decided in my favour.

770. At present, then, the Land Board not having awarded you the section, it simply stands in abeyance?—I may say that one of my sons had left a situation to go on the section, and I was proceeding to cut down the bush, and everything. I looked upon the thing as settled when the decision of the Court was known.

771. Since you were a successful applicant for the section, has Mr. Peebles spoken to you on the question?—You mean after the drawing took place. Two or three weeks back he came into my office about it. He came in and asked me what arrangements I was going to make about this section. I asked him what he meant, and he told me that of course I had gone in for the section for him. I said that I had done nothing of the sort, and that he had never asked me to do such a thing. He said, “No, I never asked you, but I understood it.” I replied, “Look here: I never was a dummy for any man in my life, and I am never going to be.” I said, “You have never asked me in the last eight months, though again and again you have talked about it.”

772. You say he did nothing in the matter until after the trial: was he in a position to do anything until the Court had decided whether or not the section should be allotted to you?—I may say, with regard to the trial, I gave all the instructions. I never consulted Mr. Peebles in the matter at all. I did not see him to speak to for three weeks after. I ought to have seen him on business of the borough, but he was in such a state that I could not talk with him.

773. Do you not think it rather strange that Mr. Peebles, who was an applicant himself, and, as you say, was very anxious to get the section, having put in seven shots, or applications—do you think it at all likely that he would ask you to go in to be a competitor against him, and also to lodge the money for you with your application?—I did not see anything wrong about it. I have done a tremendous lot of work for them at different times and in different ways. Any amount of other persons asked the same question.

774. I do not think people, as a rule, are ready to advance other people money as a deposit for a section to oppose them?—Well, I suppose the very fact that a man he knew might get it, from whom he might some time buy out, might have had something to do with it. I know I said at the time that I would go and live as a neighbour to him if I got it. That fact might influence him a little: it might help to prevent Horace Baker, and others getting it.

775. Have you heard a rumour in Woodville that Mr. Peebles was prepared to give something to a successful applicant?—I was told yesterday in Wellington.

776. You never heard it before in Woodville?—No. Some one told me last night in these buildings. I think that Mr. Peebles was prepared to give £100, or something like that.

777. Did you not read in a paper what Mr. Rechab Harding stated to the Board, that some one was prepared to give £150?—I understood that was at Waipukurau. I remember reading the report.

778. It was this: Mr. Harding stated that “active canvassing for dummy applicants had been made prior to the balloting. He knew a man who had been asked to apply, although he had no desire to do so, and another was willing to give £150 to whoever should be the successful applicant, when the ballot took place, to acquire the right to the section.” You read that in the paper?—Yes, but I always thought it was a Waipukurau matter.

779. *Mr. McKenzie.*] Did Mr. Peebles at any time tell you that he would pay your expenses in connection with the application for this section, or that he would deal liberally with you?—He did so about a fortnight ago. Since the result of the trial was made known he came and wanted to make some arrangements.

780. Did he make you any definite offer?—When I asked him what he meant, he said, “Of course I expect to pay your expenses, and to pay you for your trouble.”

781. Were you anxious to get this land, Mr. Sowry?—I should like it very much—indeed, I did not think I should be fortunate enough to get it.

782. Were you anxious to get it before you saw Mr. Peebles and applied?—My wife very strongly urged me to go in for it.

783. Why did you not get the necessary papers to put in your application yourself?—As I said before, the only thing that would have any real effect with me was a prejudice against raffling as far as I myself was concerned. I never thought I was capable of winning anything. I did not think



there was the smallest chance of winning, and scarcely thought it was worth the trouble so far as my chances were concerned.

784. The matter stood this way: that you thought your chances were so small that you did not think it worth while until Mr. Peebles gave you the paper and said he would find the cheque. You were quite willing on that consideration being offered?—That was not consideration.

785. Did you at any time offer the money back to Mr. Peebles after you knew you were the successful applicant?—Yes, I told him he could have the money. He said, “You can have it if you like: I mean to have the section.” I said, “You may get it, but I am not going to act as a dummy.”

786. Do not you think, if you were in for the land for your own use, that you would consider it your duty to discharge your obligation to Mr. Peebles by sending him a cheque for the amount?—I told him when he came into the office that he could have it.

787. *Mr. Cowan.*] If Mr. Peebles asserts that he made this offer to you which you acknowledge was made to you about a fortnight ago—if he says he made it when you signed the declaration, will that be true or false?—He never made me any offer at all.

788. Did he not say that he would deal liberally with you?—Yes, a fortnight ago.

789. If Mr. Peebles asserts that he made you an offer the day he gave you the cheque for the amount deposited, is that statement true or false?—It would be false.

790. Before whom did you sign the declaration?—Before Mr. Burnett, solicitor.

791. What did you do with the application upon which the declaration was?—I sent it to the Board in an envelope. I gave it to Mr. Peebles. As for the cheque, I never had it at all.

792. You gave your application to Mr. Peebles?—I gave it to Mr. Peebles, as, when he was going to town, I said, “You may as well take it, and save me the twopence.”

793. What explanation have you to give us for that? Why did you not send in your own application direct to the Board?—That is the only explanation I can give—that he was going to town, and I asked him if he would take it down with him. I thought it might be late if I posted, as applications have got to be in at 10 o'clock in the morning. It was doubtful whether it would be in time for receipt. I am not sure even yet.

794. On the day of the drawing of this section, who represented you at the Land Board?—Nobody. Of course, there were only a few down there.

795. By whom was the deposit lodged?—It was lodged with the letter.

796. That is what I have been asking you about. After you made this declaration, and fixed up the application, what did you do with it? You tell me you gave it to Peebles, and told him to put it in the letter. What letter did you put it into?—It was put into the envelope.

797. The envelope addressed to whom?—The Commissioner of Crown Lands.

798. In the envelope was there a cheque?—There was no cheque in there with the application.

799. How did the cheque reach the Waste Lands Board?—He said he would go for the cheque, and put it into the envelope, and take it down.

800. You did not close the envelope?—After I put in the application form? No; by no means.

801. Mr. Peebles has told us to-day that he offered to find you the deposit, which he has done, and the reason for his doing so was that, in the event of your drawing that section, he would treat you liberally. Did he offer to find the money without any consideration on his part?—Yes. Of course, there was no consideration; there was only a chance that I might get the section. There was no great difficulty about that; I have known him well enough.

802. Will you explain why you did not get your own cheque?—There was such a hurry about it; there was hardly time to think about it. It was all done in a moment.

803. You say you had not sufficient money in the bank?—I say I could easily have arranged it with the bank if I had gone down to see Mr. Cooper, the manager.

804. You accepted the cheque of £40 8s. 9d., which is a marked cheque, and you knew that it had been sent on to the Waste Lands Board in an envelope?—Yes.

805. And you still assert that, on the day that Mr. Peebles told you he would give you this marked cheque for your application, the question of consideration did not pass between you?—He never named it to me until a fortnight ago or three weeks ago—until after the result of the trial was published. No consideration has been named at all.

806. *Mr. Kerr.*] If Mr. Peebles had not come into your office would you have made the application at all?—As I have explained already, I might have done if I had got the paper on Saturday, but after that I thought it was not worth while.

807. Then, your answer is that you would not have done?—Very likely not.

808. In fact, you could not have done if he did not give you the cheque?—I might have arranged it with my banker if I had had an application-form.

809. *Mr. Whyte.*] The position now is that Mr. Peebles handed in the application for you; he also paid the deposit for you, and he apparently did that, according to your statement, as an act of friendship to you, and it is a fact that he and all his family were applicants for the same section?—Yes; and a large number of other people.

810. Have you been a Justice of the Peace long?—Not on the official list. I have been acting *ex officio*, as Mayor, for three years now.

811. How long have you been on the official list?—Since January, I think. I was Mayor at the time I witnessed these papers.

812. *The Chairman.*] Do not you think that your whole conduct, at any rate, has been sufficient to induce Mr. Peebles to suppose that you were taking up the section for him?—I do not know why it should.

813. You were very anxious to go in for the section, you say, and you did not take the trouble to get a form of application. You waited until a day before the applications went in, when Mr.

Peebles came into your office. You had not even a form upon which to apply. He supplied you with a form and he supplied you with a cheque. You have not even offered to repay him the money, although you were the successful applicant. Has not your whole conduct been such as to warrant Mr. Peebles thinking, or to give him good grounds for thinking, that you were taking up the section for him, particularly inasmuch as your application was one more against his chances of getting it?—He might think so, but I did not take it that way.

814. *Mr. Smith.*] When Mr. Peebles lodged the £40 odd for you, you say you did not offer to give him that money back for eight months?—No.

815. As long as the question of the allotment of the section was in suspense you did not offer to return the man back the money?—No; I did not formally offer it.

ALEXANDER PEEBLES sworn and examined.

[This evidence has not been revised by the witness.]

816. *The Chairman.*] What are you?—A contractor.

817. Living at?—Woodville.

818. Were you an applicant for Section 1, Block XIV., Woodville, some little time ago?—Yes, I think it was in November.

819. Were you the successful applicant?—No; I was not on my own account.

820. There were sixty-four applicants?—Yes.

821. You said just now that you were not a successful applicant on your own account. What do you mean by that?—I mean that I did not draw the section—that I was not successful in drawing the section.

822. In what sense were you successful?—Well, this section was alongside of my ground, and I wanted very much to get it; it suited me very well. I put in all my own family that were of age, and several others besides, to try and procure it.

823. In what way did you put in other applications besides? Who are they?—Mr. Sowry, for one.

824. Any more?—There were my own family.

825. Anybody else?—There was another one—Mr. Joseph Barrott.

826. In what way did you get them to enter their names—they signed the declaration?—Yes.

827. First of all you went to them?—Yes.

828. What did you say to them?—I will take one at a time. In regard to Mr. Barrott, I told him that I wanted to get the section, and that I would put in the deposit.

829. If he made this declaration?—Yes. He went in on the understanding that the section should be transferred as soon as ever it could be.

830. Did you promise him any consideration for this?—No.

831. Was he a friend of yours?—He was.

832. You were acquainted with the nature of the declaration which every person has to make?—Yes.

833. What is the nature of it?—The nature of it simply is that you have to make it for your own use and benefit, and not for any other person.

834. Would Mr. Barrott be applying for the section for his own use and benefit, and not for the use and benefit of any other person or persons whomsoever?—As far as I could see, he was applying for it for me.

835. Then you went to him and asked him to make a declaration which was not true—is not that so?—I must admit that. That is what it really did amount to.

836. Now, you have referred to Mr. Sowry. What happened with regard to him?—I was up on the day previous to the day the drawing took place in Napier. I went in with my son to get a declaration signed, as Mr. Sowry was a Justice of the Peace. I signed before him. When we had completed that business, I asked him if he was going in for the section on his own account. He said, No, he was not. He had no intention of going in for it, as he did not consider the section suited any one but me. I then asked him if there was anything to prevent him going in, as I knew he had held some other deferred-payment land. I asked him if he was eligible. He said he did not know anything to prevent him from going in. I said, “Well, I want to get the section very badly: would you go in for me?” At last he did do so. He went and signed a declaration. I did not see the words he made use of.

837. What did he answer you when you asked him to do it?—He demurred a little at first. I could not exactly tell the very words he said. In fact, he did go and sign it.

838. I want to know what he said in answer to your request that he should put in an application for you?—It would be a very hard job to remember the exact words.

839. Did he say he would put in an application for you?—I do not think he made use of those words.

840. In any sense did he?—I understood so. I could not be certain of the words he made use of.

841. It was to him the section fell?—Yes. He went and signed the declaration, and handed it over to me to put in the deposit with it.

842. And his application?—Yes. He went and got the application signed, and then brought it and handed it to me, and I enclosed the deposit-cheque with it, and, in fact, took it down to Napier.

843. Before what Justice of the Peace did he sign it?—I did not go with him when he went to sign. It might have been before one of the lawyers.

844. Was it some time after you gave it to him that he signed it?—No; he took it at once.

845. He brought back the application and gave you the money?—No; he did not have the money at all. I enclosed the money along with his application.

846. Did he tell you to do so?—He handed me the application to put in. Of course I asked him to do this.

847. Did he ask you to put in the deposit-money?—No. I had said that I would pay it. I do not think he asked me.

848. Since then there has been some unpleasantness between you?—There has been very little unpleasantness. I have not had much conversation about it.

849. There has been some case in the Court, has there not?—Yes.

850. How has it been decided—in your favour or in his?—It was nothing in connection with me, this action was not.

851. It was not a case in which you were directly interested?—No.

852. *Mr. Smith.*] Was there anybody present when you had the conversation with Mr. Sowry previous to going in for it?—My son was with me. Of course he went in for the same purpose.

853. Do you wish the Committee to understand that Mr. Sowry put in this application solely for you and not for himself?—Yes; I wish them to understand so.

854. And you lodged the deposit-money. Have you received that deposit-money back?—I have not.

855. How much was this deposit-money you lodged with this application of Mr. Sowry's?—I think it was £40 8s. 9d.

856. And you say you have never received it back?—No, I have not received it back.

857. On the drawing for the section, when you found Sowry was successful, did you expect to get the section transferred from him to you?—I certainly did.

858. Did you ask him to do this?—I asked him to transfer as soon as he was able to do so.

859. And what was his reply?—He said he did not go in for the section for me at all.

860. He refused to transfer?—He refused to do anything in the matter. I then told him I would protest against the whole thing.

861. You told him you would protest against the section being allotted to him?—There is a protest going on. Mr. Troop has protested.

862. He was an unsuccessful applicant?—Yes.

863. The Committee wish to get at the bottom of the question of dummyism, Mr. Peebles; that is the reason I am asking you rather straight questions. I would ask you if you are able to tell the Committee positively that Sowry said he did not want and was not going in for this section for himself?—Most decidedly he said so. If he had not said so, I would not have been likely to ask him to go in for the section. I asked him as to whether he was going in or not. He said he was not.

864. It was in the presence of your son you asked that?—Yes.

865. Then you asked him to go in for you?—Yes.

866. With the understanding that he was to transfer to you as soon as possible?—I do not think there was any particular understanding. Of course, I understood I was to get it transferred, though it was not said so in so many words.

867. Surely, when you lodged the money for him and he went in for you, you expected to get the section?—Yes.

868. Is it not general current rumour that you were prepared to pay something to any successful applicant who was willing to transfer this section to you?—It is generally reported so—that I was willing to do so.

869. *Mr. McKenzie.*] Were you prepared to do so?—I believe I would have given a little more than what it was put up for. I could not say any particular sum. No doubt I would have tried to treat with the successful applicant.

870. Did you offer anything to Mr. Sowry?—I did not.

871. You did not say to Mr. Sowry that you would give him a certain sum if he was successful?—I said I would be willing to pay any expenses he might be put to in the way of Court business, transfer, &c.

872. You did not offer him any money to justify him in making a declaration to the effect that it was for his own use and benefit?—No.

873. Have you sued Mr. Sowry for this deposit he made for the section?—I have not.

874. Why?—Simply because I wanted to procure the section. If I sued him for the deposit I would only have the money.

875. You have a prospect of getting the section yet from him?—No.

876. You intend to sue him for the deposit? You say you paid £40 8s. 9d: are you going to let that go, and not take steps to recover it?—I have not taken advice on the subject. I do not know whether I can sue Sowry for it. I really put in the deposit myself.

877. When you had this conversation with Mr. Sowry, what compensation did you offer him for his trouble?—I did not offer him any compensation in particular: I told him I was going to treat him liberally.

878. In a money way?—That was the word I made use of.

879. Just give us an idea of how you meant to treat him?—I intended to give him £20 or £30.

880. For applying for the section in your interest. Has Sowry been occupying this section?—The section is not granted to Sowry yet. I believe not.

881. Has anybody else?—No.

882. *Mr. Kerr.*] Did this gentleman for whom you paid the deposit ever offer to give you the money back again?—No. But he has not got it yet.

883. Does the Waste Lands Board still hold that money?—Yes, as far as I know.

884. Does this man want to hold the section?—He wants to hold the section.

885. He would pay the money back if he did get the section?—He told me he would pay the money back.

886. He did not ask for any more?—No.

887. I suppose you have no doubt in your own mind that if Mr. Sowry gets the land he will return you the money you paid for deposit?—I think he would be very glad to do so.

888. *Mr. Whyte.*] It is currently reported that you let it be known all over the district that you would give £100 to any one who would get the section and transfer it to you?—I never mentioned any sum to anybody.

889. You appear to have given them an impression that you would give them something?—Only in this case of Sowry. That was after he had drawn the section, not before. I did not let him have any such impression before he drew the section.

890. Surely, if they were asked to apply for you, they might have expected something?—As I told you, gentlemen, I expected to have to pay something.

891. *Mr. McKenzie.*] I think you said you would be prepared to treat him liberally?—Yes.

ALEXANDER PEEBLES, Jun., sworn and examined.

[This evidence has not been revised by the witness.]

892. *The Chairman.*] What are you?—A carrier.

893. Living at?—Woodville.

894. You were an applicant for Section No. 1, Block XIV., in November last?—Yes, forest reserve.

895. Were you present with your father on any occasion when he saw a man named Joseph Barrott?—Yes, on the day previous to the day the drawing took place in Napier.

896. What took place?—We were just having a talk. I was not very much interested in it. He asked him to go and get an application-paper signed before some Justice of the Peace, or Resident Magistrate, or solicitor. They walked away up the street to get this done. I left them then.

897. You say you were not much interested: you were an applicant for this section?—Yes.

898. Were you applying for this section for yourself?—Had I got it, it was for my father.

899. Did you live with your father?—I had a working-share with him.

900. You are partners with him?—No: he gets a profit out of it.

901. You were not interested in this section for yourself, were you?—Not at all.

902. You simply took it up on your father's account?—Yes.

903. You were aware of the declaration that you have to make?—Yes.

904. You have to make this declaration: [Declaration read]?—I was under the impression that it did not matter if it was in the family.

905. You saw that declaration which has just been read?—I signed the declaration.

906. Before a Justice of the Peace?—Yes.

907. Was that declaration true?—Not if it is not allowed.

908. You were not taking it up for your own use and benefit?—I was going to transfer to my father.

909. Were you present subsequently when your father saw Mr. Sowry?—That was when I signed this declaration before Mr. Sowry.

910. Were you present at any time when your father made any proposal to Mr. Sowry?—When I signed this declaration was the only time.

911. What took place?—My father asked Mr. Sowry if he was going in for the section, and Mr. Sowry said, No, he was not in for it, and that he had no intention of going in for it. My father then said, "Would you mind going in for me?" He said, "Oh! well, yes. I suppose there is no harm in it." So he started away and filled in the declaration straight off the reel.

912. That was the day before the drawing took place?—Yes.

913. You are quite sure that Mr. Sowry said he had no intention of going in for himself?—Yes.

914. What did your father do with the application? did Mr. Sowry sign the paper?—They had to go somewhere else to get somebody to witness it.

915. What did Mr. Sowry do then?—I went away. I do not know which solicitor they went to. I was not there when they came back. It was getting late, and father had to meet the train to town. He had not much time to take the declaration down.

916. *Mr. Smith.*] Did you sign the declaration before Mr. Sowry as Justice of the Peace?—Yes. We went to Mr. Sowry's place to sign the declaration. My father told me it had to be signed before a Justice of the Peace, and we happened to meet Mr. Sowry on the road, and he said, "Oh! let us go to the office."

917. So that when they arrived your father asked if he was going in for the section himself?—He said that he was not going in for the section.

918. He said he did not intend going in for it?—He said he had no intention whatever. He filled it in there on the table, and went away and signed it.

919. Was your application and Sowry's under the perpetual-lease system?—I have an idea that Sowry's was under the deferred-payment system, but I would not be certain.

920. Did Mr. Sowry give your father any money to pay for the deposit?—No, sir.

921. While you were present?—No.

922. Was it understood that your father was to pay the deposit on the application?—My father said to me before we went in, "I wish I could get hold of some one else: I have got one more marked cheque." And he said, "Perhaps Mr. Sowry is not in for it. He would be a good one to get."

923. And did he get him?—Yes.

924. Was it not understood in Woodville that any one who went in for your father and got the section would receive some bonus for it, or some present?—Not that I am aware of. I heard it rumoured that he had offered any one that got it a certain sum.

925. It was rumoured?—Yes.

926. *Mr. McKenzie.*] Did you or your father tell Mr. Sowry that he would pay him for his trouble if he went in for it—any trouble that Mr. Sowry might be put to?—Oh, yes!

927. Can you recollect what the words were he used?—He said any expense he was put to at all he would pay.

928. You do not know why your father paid the deposit?—Only that he told me before he went in that he had one more marked cheque, and that he would get some one more to go in for him. He had just come out of the bank previous to this, and we were walking along.

929. How many applications had your family in? had you any more than your father and yourself?—There was another brother and a sister, I fancy, and mother, but I would not be certain. I think there were all the family over seventeen or eighteen years of age.

930. *Mr. Kerr.*] You never heard that your father had offered £100 to any one that got the section?—No. It was rumoured about town that he would give any one £50, but I never heard it from him.

931. *Mr. Whyte.*] Are you under the impression that Mr. Sowry's deposit was paid by means of a marked cheque of your father's?—Yes.

## APPENDIX.

### *Copy of Telegram.*

Commissioner of Crown Lands, Auckland.

30th June, 1890.

STATE generally your opinion what proportion of settlement lands was disposed of during the past year in your district for *bonâ fide* settlement, and, as far as you can judge, how much was dummed or acquired for speculation (if any), and under what system this was most prevalent. What proportion was disposed of by ballot as against single applications? Give general statements, not actual figures.

H. J. H. ELIOTT, Under-Secretary.

*Re* your wire on dummyism: The intention of the Act is evaded, I think, by a man and wife making separate applications for the maximum area, thus practically the man holding 4,000 acres. We had one case about six months ago, and, again, the case of unsurveyed land thrown open to-day, in Raglan County at, 9 a.m., by two persons, without question man and wife, which swept off 4,000 acres of the best. As the law now stands for perpetual lease there is no preventing it.

Auckland, 18th July, 1890.

THOMAS HUMPHRIES, Chief Surveyor.

### REPORTS OF COMMISSIONERS OF CROWN LANDS to 31st March, 1890.

*Auckland.*—Not aware of a single selection made for speculation. All *bonâ fide*, except a few kauri sections, bought for sake of the timber. One-tenth of whole selections went to ballot.

*Taranaki.*—Speculation and dummyism almost *nil*. Only 9 selections out of 229 supposed speculative; only two actual dummies. In cases where supposed dummies have been put in only two have been successful.

*Hawke's Bay.*—Considers all settlement lands were for *bonâ fide* settlement; probably about 1,000 acres bought for cash or speculation. No balloting in district, except for five small holdings near a village settlement. Single applications only received.

*Wellington.*—Not aware what was taken up by dummies, but believes a vast proportion taken up for settlement. Probably the perpetual-lease system would favour dummyism. About one-fourth the area disposed of was balloted for.

*Nelson.*—None taken up for speculative purposes.

*Marlborough.*—None taken up for speculative purposes. Proportion—one-fourth by ballot, three-fourths by single applications.

*Canterbury.*—About three-fourths of land selected was for *bonâ fide* settlement, and out of the other one-fourth a large area of stony land not fit for small settlers was taken up by large holders. As showing that there is land open for settlement, 14,000 acres stony land south of the Hinds still open at reduced prices. So far as can be judged, about 2,700 acres were dummed under cash applications.

*Otago.*—All taken up for *bonâ fide* settlement. Proportion—about four-fifths by ballot.

*Southland.*—So far as he can judge, all taken up for *bonâ fide* settlement, except small percentage for bush, flax, &c. Proportion nearly equal. Little or no balloting during the year.

*Westland.*—All selected for *bonâ fide* settlement. All cases were by single applications no balloting.

[*Approximate Cost of Paper.*—Preparation, nil; printing (1,300 copies), £28.]

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