

238. During the last ten years, I take it, you have paid altogether £283,000-odd in wages, destruction of rabbits, and rent. Can you give us any idea of what the income has been?—I can give you nothing beyond the statement that I have read with regard to profit and loss over that period.

239. You have been losing pretty nearly every year?—That is patent.

240. And you have been practically living on your losses?—That is so, unfortunately.

241. What concession do you wish the Government to give you?—I have studied the matter very carefully, and I am satisfied that nothing short of a very substantial reduction of rent would be of any use whatever. An extension of lease would only be prolonging the agony. The price of sheep is now so high that it is impossible to buy; and, as to breeding, it will take many years before the stock comes up to sufficient numbers to give any return to the owners after paying working-expenses. Nothing short of a very substantial reduction of rent would be of any service.

242. Not a longer lease?—It would be of no use. There is still six years of the old lease to run.

243. *Mr. Ell.*] You say the carrying-capacity of the run has fallen off considerably?—Yes.

244. What is the reason for that?—The native grasses seem to die away. I do not know whether it is natural decay or a natural process; but all the country with a northern aspect is exposed to the north-west wind, and is very hot and dry, and there the grasses have all practically disappeared. And this fungus that has been mentioned has taken possession of all the hard, dry country. It works round, and the country gets completely covered with it. That process has been going on now ever since I have been there.

245. Have you or your firm made any attempt to regrow any portion of the land?—No, not to any extent. I did try in a small way, but it was not successful. I tried cocksfoot and Chewing's fescue in some of the gullies, but not to any extent.

246. You were not successful at all?—Not what I call successful.

247. Would a systematic effort to regrow be successful, do you think?—I believe that in many parts—in the gullies—it might be done.

248. That would improve the carrying-capacity of the run, of course?—There is no question of that; but it would have to be done on an extensive scale to be of much service.

249. What is the usual term of your leases?—The last lease was for fourteen years.

250. Does your firm complain about the liability of their being turned out of possession at the expiration of the lease through being outbid by somebody?—No, I should not think so, provided compensation were given for improvements. The lease only makes provision for compensation to the extent of three years' annual rental being paid; but this amount would not nearly cover the improvements on Morven Hills. There is a great amount of fencing there and other improvements.

251. Would the right of renewal at the end of your present term be more satisfactory to you than your present lease without the right of renewal?—Provided one held the run at a reasonable rental the right of renewal would certainly be some inducement to improve the country.

252. Do you think it would be a great inducement to improve the country and to restore it?—Yes. Of course, many runs might not be improved to any extent, but others would, even in central Otago.

253. What number of years do you think should be the original term of lease?—I do not think the term should be for anything less than twenty-one years, or there would not be any encouragement for any lessee to make improvements to any extent.

254. If you had the right of renewal at an assessed rental from fourteen years to fourteen years, would that be satisfactory?—Oh, yes; anything like that would do.

255. *Mr. Bennet.*] Have you ever tried the Yorkshire fog?—No. I do not think it would be advisable in that country.

256. You think it would not take in the gullies?—It is of very little use, indeed. It covers the surface in moist places, but there is very little nourishment in it.

257. *The Chairman.*] Do you think the valuation for improvements is too limited?—I think so. It will not nearly recompense the outgoing tenants for their outlay, even allowing for depreciation.

258. Do you think it would be wise to do away with any restriction as to the amount of valuation for improvements, and to leave the valuation an open question—leave the improvements to be valued?—I think that would be better than the present system.

259. Do you think that might lead to improvements of a useless character being made?—No. I do not think any one would spend money lavishly. Possibly that might be resorted to in some parts of the country, but not in our part.

260. Do you think that any of the country you are acquainted with could be made more valuable supposing that that restriction was removed?—Yes. That would certainly be of great benefit to the owners of Morven Hills Station, and to the holders of the country generally; because, even by subdividing the runs more, the carrying-capacity could be increased, and, as the Minister of Lands has indicated, the country could be spelled at a certain time of the year. We do that for a part of the year, and if more fencing were put up the land could be spelled for a longer period. Of course, it would take a larger outlay to do that; but I do not think any one would expend money for the mere sake of doing it.

[Statements *re* Morven Hills Station returns handed in by witness.]

W. A. SCAIFE, of Mount Pisa Station, examined. (No. 9.)

261. *The Chairman.*] We shall be glad to hear you, Mr. Scaife?—I merely came here, Mr. Chairman, to give any information I could as to the respective rents for Mount Pisa and Morven Hills Stations, and as to the carrying-capacity of the two places. I went to Mount Pisa in 1896, after the 1895 winter, and the rents were readjusted, we being offered a fourteen-years lease at £1,140. A short time after that we could see that the place was not going to pay, and the owner