

afford to pay. It is really only a small portion of our land that has been taken up by small settlers, and we used part of the money that we got as thirds at the time for roading in going into these backblocks and bridging rivers and opening out fords, so as to give these settlers on the Midland Railway land fair access to their country, and now the bridges we built at that time are rotting, and some of these settlers are crying out for roads. There are two small holders in particular on the Midland Railway land there, holding, I think, about 200 acres each, and they cannot get to their holdings without trespassing on their neighbours' land. About £2,000 would be required to give them access to their lands by the surveyed roads, but it is out of our power to do anything at all for them. The whole district is getting into a bad way. The roads that we made years ago are worn out. This year the expenditure on our rivers and protective works and clearing of fords will take almost the whole of our rates. Some years we have a fair amount to spend on roads, but our general rate cannot give anything like reasonable relief to these settlers who hold Midland Railway land. There is a road running back some thirty miles into this country, and it needs a tremendous rate to give them anything like a reasonable road. We are doing our best to keep it passable for stock or light traffic, but these backblocks settlers are in a bad way with regard to getting timber in. Our Road Board simply cannot do anything worth mentioning for them.

1 *Hon. the Chairman.*] What are the rates that you levy per annum?—Three-farthings in the pound on the capital value. We have levied that rate for years and years now, though the valuation has gone up. Many of our small settlers are paying about three times the amount they were paying about ten years ago on the same land.

2 *Mr. Witty.*] Have you received many Government grants for your roads—anything at all equal to the amount you would have received from thirds?—No. We have scarcely had a Government grant—only one or two small ones in the way of subsidizing the opening-up of this country.

3 You actually opened up Government land before these thirds were stopped?—Yes.

4. You did that with the ratepayers' money and the money you had received from thirds previously?—Yes.

5. These settlers with no roads to their holdings—they have to drive their stock across their neighbours' land?—Yes, there are two who must do that. One of them grew grain last season, but his neighbours will not allow him to take a machine in for threshing.

6. The roads were better twenty years ago than they are to-day?—Oh, yes!

7 *Mr. Lang.*] Is the three-farthings rate that you mentioned the total rate, or are there any other rates?—We have special rates with respect to some bridges. Other parts of the district not in our road district are rated for water-supply and that sort of thing. Our district has only a special rate for bridges. With regard to special rate for bridges, we have not so far paid a special rate, but our loan for about £3,000 is approved, and we shall be taxed for it in the future.

*Right Hon. Sir J. G. Ward.* I should like to place this letter on record, because it meets a point on which Mr. O'Halloran was in doubt. It was sent by me on the 29th January, 1908, to Sir George Clifford, Chairman of the Waipara Road Board. Sir,—I have the honour to acknowledge receipt of your letter of the 6th instant regarding the payment of thirds and fourths to the local bodies on account of land granted to the Midland Railway, and stating that you were in hopes that the matter would be referred to the Law Officers of the Crown for full consideration. In reply I have to say that the quotation given in my letter to Mr. Rutherford of the 12th November was the opinion of the Solicitor-General upon the position, and I regret that my letter did not make it clear that the Law Officers had so advised. In order that no further misapprehension may occur, I may state that the question was placed before the Law Officers in accordance with the promise I made to the deputation that waited upon me, and the following is the Solicitor-General's authoritative decision. The provision for thirds and fourths applies only in the case of Crown lands disposed of under the Lands Acts. The lands in question were disposed of not under the Land Act, but under the Railways Construction and Land Act, 1881, and the East and West Coast, &c., Railway Construction Act, 1884, and the Midland Railway contract which was made thereunder. Hence no thirds or fourths were payable in respect of their lands when disposed of by the company. The Government was under no obligation, legally or morally, to make it a term of the contract that the company should make these payments. The land grants made by the Crown under the contract represented a specified proportion of the cost of construction, for which purpose the land was valued at the estimated market value of the Act of 1884. This obviously means the full market value of the land, not the market value after deducting thirds and fourths. It is quite clear that the Act does not contemplate any such reduction, and if the Government had insisted on a term to that effect being inserted in the contract the company would have been justified in demanding that the contract should provide for additional grants to make up the deficiency in value. This would have been repugnant to the Act. The Law Officers of the Crown having advised that the local authorities are not entitled to the payment of any thirds or fourths on account of the lands disposed of to the Midland Railway Company, the Government are unable to further consider the claims.—I have, &c., J. G. WARD, Prime Minister." Do you know whether that letter was received by the people concerned?

*A Member of the Deputation:* Yes, I think so.

DAVID HAWKE, Chairman of the Oxford Road Board, examined. (No. 3)

*Hon. the Chairman.* Will you make a short statement?

*Witness.* I can only say that the Oxford Road Board, which I represent, is in a similar position to the Ashley Road Board. We have a large acreage of land that was sold by the Midland Railway, and within the last twelve months we have had to make twelve to fifteen miles of road through country which the railway company sold, and we feel that it is a great hardship to the ratepayers for us to have to make roads through this country from which we have not received a penny in thirds. And this is not the only block—there are others in the district similarly situated. I can indorse every word that Mr. O'Halloran has said on the subject, and, such being the case, I will not take up any more of your time.