

7 lb. per sheep, and netted over 8d. per pound. I am informed that last season was the worst ever experienced in Hawke's Bay, the clip being consequently reduced both in quality and quantity. Mr. Hamilton seems to be quite confident of being able to maintain the character of his flock by carefully culling his ewes and selecting his rams. A few first-class long-wool rams for the stud flock are much required, and authority should be given to procure these at once. It will be also necessary to decide as soon as possible what the future policy is to be with respect to the further development or otherwise of the run, and whether any steps should be taken to secure the freehold. As regards the further development, I have already stated what I think should be done. I have only now to add—First, the whole of the unimproved land is, as regards soil and its adaptability to carry grass, equal to the best of the land on the estate, and when compared with other land in the Hawke's Bay District it is only inferior to the rich alluvial flats; second, I estimate that an expenditure of about £9,000 will be required to clear, grass, and subdivide the unimproved land inside the ring fence, and that the carrying-capacity of the run will then be increased to forty thousand; third, by clearing 1,000 acres each succeeding year outside the ring fence the number of sheep can be further increased to the extent of fifteen hundred each year until the whole of the estate is sown down in grass, when I estimate it will carry forty-eight thousand, and, say, a thousand head of cattle. By the quarterly returns sent in there seems to have been a very heavy loss of sheep between the 31st March, 1887, and the 31st March, 1888, but I did not discover this until I had returned to Napier and examined the account. I have written to Mr. Hamilton to explain the deficiency, and to carefully check the count during shearing. In conclusion, I may say, after riding over the whole of the estate and thoroughly inspecting it, I consider Mangatoro one of the finest sheep-runs of its size that I have seen in the colony, and regard it as a most valuable property, well worth developing to the utmost extent.—WALTER HUNTER. 2nd November, 1888."

Valuation of Run and Stock on 31st March, 1888.

Land, freehold value—		£	£
22,000 acres in grass at £3 5s. per acre	...	71,500	
8,000 acres scrub at £1 10s. per acre	...	12,000	
			83,500
30,000			
Fencing—75 miles at £100 per mile	...		7,500
Dwellinghouse, buildings, plantations, &c.	...		3,000
Live-stock—		£	
30,000 sheep at 6s.	...	9,000	
700 head of cattle at £2 10s.	...	1,750	
			10,750
			104,750
Debt on 31st March, 1888, £68,000.			W. H.

Estimated Expenditure.—Proposed Improvements.

		£
Clearing inside ring fence, 4,350 acres, at £1	...	4,350
Cost of seed, carting, and sowing, 4,350 acres at 12s.	...	2,610
Fencing to complete ring fence and subdivisions, 15 miles at £120 per mile	...	1,800
		8,760
Cost of clearing, seed, and fencing yearly outside ring fence, 1,000 acres rape and grass at £2 per acre	...	2,000
		10,760

Returns.

		£
Wool from 42,500 sheep at £200 per 1,000 sheep	...	8,500
Sale of surplus sheep, 13,000 at 7s.	...	4,550
" " cattle, say	...	500
		£13,550
Working-expenses, £90 per 1,000 sheep	...	£3,825
Rent	...	500
		4,325
Net return	...	9,225

W. H.

Captain Hamilton: Of course the facts in this petition have been got from me, and I may say that in my wildest conception of what had taken place I could not possibly have thought that £52,000 had been spent outside of buying the freehold.

Mr. Foster: No, you say that nothing had been spent.

Mr. J. BUTT examined. (No. 3.)

160. *The Chairman.*] What is your full name, Mr. Butt?—J. M. Butt.

161. What is your occupation?—I am a commission agent.

162. Where are you resident?—In Wellington.

163. *Captain Hamilton.*] What I want to ask you, Mr. Butt, is if you recollect the time that Mr. Murdoch, at that time managing director of the Bank of New Zealand, made a proposal to me that if I could find half of the money that I then owed the Bank of New Zealand—which was about £28,000 at that time—that he would allow that advance to go on first mortgage, and that