

240. I suppose people in prosperous times are apt to gauge the price of everything by these prosperous times: in 1903, when the lease was given, you did not know the price of wool was going to rise?—No, nor anybody else.

241. You know that the Hatuma settlers asked for a reduction of their rent, or time in which to pay?—I have heard of it.

242. Do you know they got three years' time in which to pay arrears of rent?—I have just heard of it.

243. You see there is a college on this estate which has to be kept going, and the trustees want to be certain they have a revenue coming in to keep the College going: Now, having regard to the fact that they wanted to make sure of at least £2,000 a year coming in, as against an uncertain income, do you think that ought to influence them in granting a lease of the block—for instance, supposing they had to wait three years for their rent, what would keep the school going in the meantime?—Of course there may be surrounding circumstances that might justify them in granting a lease to a good tenant.

244. *Archdeacon Williams.*] I have said in my evidence that there is very little of the swamp in the Te Aute trust estate?—I am not aware where the swamp land lies. I know there is a large and very valuable swamp there, but what part comes into the trust estate I do not know.

245. *Mr. Ngata.*] In 1871 would you have considered 1s. 6d. per acre a fair rent for a lease of seven years?—Yes, a very fair rent. The country was not broken in.

246. Then in 1878 for a fourteen years' lease, would you have considered 5s. 3d. per acre, with no right to improvements, a fair rental for the Te Aute property?—Yes, I should say it was a fair rent in those days.

247. It was not a low rent?—No.

248. From 1892 to 1899 the Archdeacon got a lease of the 7,000 acres at £2,000 per annum, or at about 6s. or 5s. 11d. per acre: would you consider that a fair rental?—As rents were going in Hawke's Bay in those days—I am now giving a general idea—I think it would be about as high a rent as was going in Hawke's Bay. There were no large blocks of Native land that people could get in those days at that rent.

WILLIAM RUSSELL RUSSELL examined.

249. You are a farmer, and also a trustee of the Te Aute Estate?—Yes.

250. When were you appointed a trustee?—In 1885.

251. You know the estate?—Yes.

252. And you were a consenting party to the lease?—Yes.

253. Will you tell us shortly what steps the trustees took to satisfy themselves the new lease would be a fair one before they consented to it?—The trustees, I think, relied a good deal on my judgment in the matter. I had myself been all over the estate, from one end to the other, and across it in various ways, and I suppose I know more probably about the estate than anybody except the trustees and the persons who live upon it. I valued it so far back as fifteen years ago. I know the popular impression of the estate is ridiculously wrong. Nine-tenths of the people who talk glibly about the Te Aute Estate know no more about it than they do about Timbuctoo. For instance, people believe that the greater portion of it is rich alluvial drained swamp. I, who know more about it than most men, give the acreage of the swamp, instead of being 7,000 acres, as people generally believe it to be, as being under 200 acres. I have estimated that about half the estate is capable of being ploughed—I do not mean cropped, but capable of being turned over by the plough for the sowing of rape—but in saying this equally practical men have told me I have taken an unduly sanguine view of what can be done in the way of ploughing. A portion of the estate is distinctly poor land. Taking the land upon the right-hand side of the railway going up from Napier towards Waipukurau, I should think I am right in saying that at least half of that block is inferior to fair land only. The remaining portion of the land on that side is good. The land on the eastward or seaward side of the railway is mostly good. But the Natives in granting the land did not allow the swamp land to pass out of their hands at the time they made the grant, and therefore the popular impression that all the land people see from the railway is Te Aute trust estate is a mistaken one altogether. Then, in endeavouring to estimate the value of the property, the desirableness of letting it on a lease to the former tenant, Archdeacon Williams, or of dividing it into small blocks, was carefully considered by myself and discussed, sometimes formally and more often informally with the other trustees. We were quite certain of this: that a bird in the hand is any day worth two in the bush. We knew we had a tenant who had put his whole soul into the management of the estate for a great number of years, and who had improved it, as the Commissioners have been told so frequently, from a useless piece of country into one of the most productive pieces of hill country in Hawke's Bay. We knew therefore that we were letting to a tenant who would manage the estate to the very best advantage. But we knew something a great deal more than that. We knew that whether the estate paid or did not pay, the Te Aute trust would not be allowed to suffer. In other words, we had a bird in our hands, if I might be allowed to mix my metaphor, who was not a man of straw. We knew that whatever happened, that if anything went wrong with values of produce, we had a man who could pay, and the trustees would have compelled him to pay out of his own private pocket the money necessary to carry on the estate. Therefore, on that ground, we thought it wise to let it to him. Another consideration which influenced my mind very materially was that upon the estate there were no buildings which belonged to the trust and no money to build any, and the consequence is that if we wished to subdivide we should either have to give enormously long leases and involved leases as to the class of improvements to be put upon the estate, or let the estate to men of straw who possibly would not pay their rent, and who would put up the very worst class of buildings and not do justice to the estate at all. Therefore we thought it better to let it in one solid block to a person we knew would pay, and could