

immediately preceding 1903, when the lease was granted. In 1896 the value of wool exported from Napier was £921,000; in 1897, £937,000; in 1898, £1,927,000; in 1899, £1,614,000; in 1900, £658,000; in 1901, £423,900; in 1902, £385,200. Well, that is the year I wish to draw attention to, when the lease was rather in doubt. The trustees, of whom I was not then one, were pressing for a little more rent than the Archdeacon had been paying. Naturally, with wool coming to this stage he was very dubious as to whether he could see his way to take up the lease at that rent. In 1903 the value of wool exported rose to £575,000, and it has been rising ever since; but in 1902, when the lease was in abeyance, it was £385,000, or nearly two-thirds less than it had been five years before. It is all very well for people to-day to say, "Oh yes, so-and-so is getting 1s. 3d. per pound for his wool." I heard Sir William Russell say he sold his wool for 4d. per pound. That is quite true. There were thousands of bales of wool sold in London for 4½d. and 5d. per pound. Therefore, you can judge from these figures what this property was worth in 1903 as a paying concern. I can only say, having heard Mr. Dillon's evidence in regard to the estate being put up to auction, I should not have dreamed of offering £2,200 a year for it, because I could see, if wool was going to remain at that price, it would have meant a loss of anything from £500 to £1,000 a year. Of course, the Archdeacon is in a better position than any other man to take the estate. He had a plant there; he had his own runs around; he had his drained swamp and the stock, all of which he could work to the greatest advantage. I have heard a good deal about this cutting-up business, but very few people have taken into account the fact that if the estate had been cut up into farms, say, into fourteen 500-acre farms, all these farms would have to be stocked. Mr. Dillon said it would require £10,000 and upwards, and I think he is perfectly right. Well, suppose it meant a capital of £12,000, people do not advance money on buildings or stock for less than 6 per cent., and there is a sum of over £700 to be added to this £2,200 a year, which practically brings it up to £3,000 a year. If they could not make £3,000 a year the trustees would not be as well off as they are to-day under the present lease. Probably they would be a good deal worse off, because some of these small men might not have been able to fulfil the conditions. Now they have a substantial man who will pay the rent; and as to the idea that many people have in their minds that this place would bring another £1,000 or more if put up to auction, it is an absolute fallacy. I was not a trustee at the time of the last lease, but the Archdeacon told me, as an old friend, that he did not know whether he would have taken the estate at £2,200 except for my advice.

305. In your opinion, do you think the trustees did a reasonably proper thing in granting this new lease for twelve years at £2,200?—I do not quite agree it was a proper thing; I do not think they should have stuck out for this extra money.

306. You think this lease was decidedly in the interests of the trust estate?—Very much so.

307. And if you had been a trustee at that time you would have consented to it?—I should have been very glad to have done so.

308. *Mr. Ellison.*] With regard to the desire of the Natives to appoint a trustee, would you be in favour of one of their number being appointed as a co-trustee?—Yes, I would retire at any time in favour of a Maori who is acceptable to the rest of the trustees. I believe it would be a good thing.

309. It has been said it would be impossible to find among the Natives interested in this trust a Maori who would be capable of acting as a trustee: even if there was none amongst them capable of doing so, do you think it would be advisable to appoint a Native, if only as a sleeping trustee, to satisfy the Native people?—I say I am quite ready to retire in favour of a Maori who would be acceptable to the rest of the trustees. You would not wish yourself to put in an incapable man as a trustee.

TUESDAY, 22ND MAY, 1906.

HUGH JOHN CLARKE COUTTS examined.

1. *The Chairman.*] What position do you occupy in the Government service?—District Valuer, residing at Hawera.

2. What Departments are you connected with?—I am at present temporarily employed in this district by the Government Purchase Board and the Native Department. I value for all the lending Departments of the Government: Public Trust—in fact, all the Government valuations.

3. What experience have you had?—I have been in the Department for seven years, for five of which I have been out of Taranaki in various parts of the colony.

4. Have you had any practical experience as a farmer?—A farmer all my life till I joined the Department.

5. You know the Te Aute trust estate?—Yes.

6. Have you examined the estate with a view of forming an opinion as to its value?—In February, 1904, I valued 3,800 acres of it—that is, the area in the Waipawa County.

7. The total area of the estate is, roughly speaking, 7,000 acres?—Yes.

8. Will you kindly describe the estate as regards the nature of the land?—The western portion is very good limestone country. The south-eastern portion of the land lying to the west of the railway-line is a poor piece of country—shale formation. The land on the eastern side of the railway-line east of the swamp is good land, but not so good as the best of that on the western side, and, on the whole, not so good, in my opinion, as the land on the western side of the railway-line. I valued the 3,885 acres in 1904 at £6 18s. an acre. For purposes of comparison I yesterday went over the rest of the property, which I had not done before—that is, the land on the eastern side of the railway-line—and it is worth at least 10s. an acre less than that. The land is in very good order; it was two years ago, and is now. It is worth considerably more now than it was then.