

72. Taking his valuation as a basis for a twelve years' lease, without an improvement clause, and without the right of renewal, what percentage on the capital value would be considered a fair rental?—I think if the trustees got 5 per cent. on the capital value they would do well.

73. The Government ask 5 per cent. for a longer period and much more advantageous terms?—Yes, and they make the roads. The eastern portion of this land was entirely shut off from roads. To have subdivided up the estate would have been very considerable expense.

74. With your knowledge of values in Hawke's Bay, what increase would you say there has been between 1900 and 1906?—A total increase of fully 25 per cent., and in some instances a great deal more.

75. If anything, values are rather inflated now?—As a land agent I would not like to say they are inflated.

76. From the point of view of the taxpayer?—From the point of view of the taxpayer I think they are inflated.

77. Do you know that as a matter of fact the trustees got 3d. more per acre than your valuation—that the Archdeacon is paying nearly 6s. 6d. an acre?—I did not know that.

78. *The Chairman.*] Were you approached by any other persons to make a valuation?—The instructions were from the trustees. The following are the letters I received: "Napier, 11th June, 1900.—Messrs. Baker and Tabuteau, Napier.—GENTLEMEN,—In reference to letter of 4th ultimo, asking Mr. Baker to make survey of lands at Te Aute, and furnish valuation of pieces proposed for exchange, we now request Mr. Baker to make a valuation for letting purpose of the whole of the land comprised in the plan enclosed, excluding therefrom the buildings and portion of land used by the Te Aute College, and, of course, substituting the proposed exchange of land. As the trustees meet on Saturday morning, please let us have the valuation by Friday evening next, and oblige.—Yours faithfully, J. B. FIELDER, for self and co-trustees, Te Aute Trust." "Napier, 13th June, 1900.—Horace Baker, Esq., Waipawa.—DEAR SIR,—Mr. Fielder being laid up at home has asked me to reply to your letter of the 11th instant. The trustees wish to know what would be a fair rent for the property for a twenty-one years' lease, and also for a seven years' lease, in each case without an improvement clause or other unusual conditions.—Yours faithfully, A. J. COTTERILL."

*Witness:* I would like to make this statement to the Commission: I have been told that it has been suggested from some quarter that I accepted a bribe to make a low valuation of this property. I desire to say that I received fifteen guineas for my valuation—five guineas a day. I made the valuation in all good faith.

*The Chairman:* As far as the Commission is concerned, we have had no such representation made to us.

ERIC CHARLES GOLD SMITH examined.

79. *The Chairman.*] You are Chief Surveyor and Commissioner of Crown Lands, Hawke's Bay?—Yes, and I have occupied that position for nine years and a half.

80. You know the Te Aute Estate?—Fairly well.

81. *Mr. Hogg.*] Are you aware that the Government have been dealing with land of a similar character to what the Te Aute Estate consists of?—They have been dealing with estates in Hawke's Bay. The Argyll Estate adjoins this property. The area is 33,602 acres.

82. Do you know the price paid for it?—Not from memory. The rents go from 1s. 9d. to 11s. 4d. For some of the land adjoining Te Aute the rent is 8s. 10d. It is only a small piece. [Witness indicated on plan the different sections of Argyll Estate, and stated the rental.] The leases and the cost of roading and administration is added, and we strike 5 per cent. on that as the rent. That includes roading, &c. It is for a long lease. But 8s. 10d. an acre in that case is no criterion of the value of the Te Aute land, where it is leased for, say, twenty-one years.

83. Argyll was in the market in June, 1903?—Yes.

84. All the land was taken up?—Yes.

85. Are there any arrears, or has there been any difficulty in obtaining the rents?—There has been no difficulty in obtaining the rents, because they have had exceptionally good years lately.

86. What about Hatuma?—It was opened in April, 1901. The rents run from 5s. to 8s. 4d.

87. *The Chairman.*] Are the rents paid regularly?—Yes; but the settlers had a bad year to start with, and the Government had to give them relief by giving them three years during which to pay their first year's rent.

88. But they went on paying regularly during other years?—Yes.

89. The first season was a bad one?—Yes.

90. Supposing those bad seasons had continued, what would have been the position of Hatuma?—I am afraid the settlers would have been in a bad position. The seasons have improved, and prices have improved.

91. *Mr. Hogg.*] Is it not a fact that under the conditions of the land-for-settlements scheme the first year is the most trying year the settlers experience, having to make improvements, fencing, buildings, &c., and obtain their stock?—Yes, I think at the time it was taken up the settlers were rather unfortunate, inasmuch as stock was very high in 1901. They did not start under favourable conditions, but they have all come out all right.

92. Is the land at Hatuma similar in quality to this?—I do not know the Te Aute Estate well enough to say. I have only seen it about the College; but generally I suppose it is very much the same.

93. Into what areas is Hatuma cut up?—It comprises 25,737 acres, subdivided into sections of from 112 to 1,510 acres. It is all taken up.

94. How many settlers are on that estate?—About sixty-two.

95. How many estates have been taken over in Hawke's Bay under the Land for Settlements Act?—Ten. Hatuma was the first, in 1901.