

96. And you say the rents have been paid regularly, and you have had no difficulty in collecting them?—That is so.

97. *Mr. Ngata.*] Did the settlers under the Land for Settlements Act get rebate for prompt payment?—Yes, 10 per cent.

98. So that the figures for Hatuma—5s. to 8s. 4d. per acre—would not be the net rental?—They would be subject to that rebate.

99. Were the sections on Hatuma and Argyll taken up at once or at intervals?—Generally speaking they were taken up at once.

100. Taking Hawke's Bay estates generally which the Government have taken up for small settlement, what do you reckon the cost of administration would be? What percentage of the rental would go towards the cost of administration?—I could not say without referring to the figures.

101. Or for roading?—The cost of roading depends on the nature of the country.

102. Will you supply us with the figures as to what the actual loading has been, particularly in the case of Argyll?—Yes.

103. What class of farming have the Hatuma settlers gone in for mainly?—Grazing. They grow some oats, rape, &c.

104. And dairying?—Yes, some dairying.

105. To any great extent?—No.

106. I suppose the increase in the price of pastoral produce has induced them to go in for grazing more than anything else?—Yes. The whole block is not suitable for dairying.

107. Of course, each block has its own peculiarities; what would be suitable for Hatuma would not be suitable for Te Aute?—That is so.

108. *The Chairman.*] Have you in the office the plan of Sir George Grey's gift of 4,000 acres?—Yes, I think we have that plan.

109. Was it shown clearly when the land was first given that it was in two pieces?—Yes.

110. The Governor's gift was 4,000 acres, and 244 acres were added to it when it was conveyed?—Yes; I will bring over the plan and show the Commission.

SAMUEL WILLIAMS further examined.

111. *Mr. Lee.*] I see by the Te Aute papers that there was a grant of £500 to purchase sheep, and, speaking from memory, I believe that some 250 sheep were purchased?—Yes.

112. Then about the year 1870 that flock of sheep had increased to some six thousand?—Yes. Not that they had increased to that extent: I had made the flock up to six thousand.

113. We have no information as to what became of the six thousand sheep?—They were to be replaced, or to be accounted for at the end of the lease.

114. And were they so accounted for?—The same arrangement passed on into the next lease.

115. At the expiry of the first lease what would be the number of the flock?—You could not alter the value or the number. They were to be replaced in equal value. Originally a certain portion of the increase of the sheep that had been taken on "terms" had been thrown in to make up the six thousand sheep above noted. I made up the whole flock in this way, but I ought to mention that in order to bring the original flock of 250 up to that number, I had been compelled to lease a block of better-grassed land than that belonging to the trust, and to greatly increase the number of sheep for grazing on "terms." It will thus be seen that the bulk of the sheep were practically my gift to the trust. The amounts credited to the school year by year from the sale of wool were increased in the same way. This arrangement ended about the time I took over the lease, and since the school land at that time only carried about three thousand sheep at the most, it became necessary to remove a portion of them; and so the sale of a section of the sheep of equal ages and sexes pastured on "terms" was advertised for sale in the *Hawke's Bay Herald*. Tenders were called for, the highest tender being 2s. 6d. per head. I think that was about a fair value at the time. The value of the six thousand sheep thus amounted to £750 (not that I have any wish to hold to that valuation). I also observed in my evidence that the value of sheep at that time was so low that some of the runholders entertained the idea of not putting rams into their flocks. That was before there was any idea of freezing. (The value of sheep altered entirely after freezing was established.) At that particular period large numbers were sold at from 9d. to 1s. 6d. per head. Previous to leasing the land I found myself in an awkward position. I was the only clergyman in the district. I was placed at Te Aute without any funds for educational purposes, although I had for my objects the establishment of the school and of endowments for church purposes. I soon came to see that I must either take the matter into my own hands and work up the estate on behalf of the school, or I must retire and relinquish the object for which I came to Hawke's Bay. After much hesitation, seeing that the position was not one I sought, I determined to work the property on the principle of self-reliance, through others working under me, and at the same time to foster other endowments for church purposes. Both Bishop Abraham and Mr. H. R. Russell remonstrated with me at the time for taking too heavy a burden upon my own shoulders. To show that the land at that time was comparatively useless, I may mention that in the case of the 4,000 to 5,000 acres leased to Mr. Pharazyn—a point Mr. Coleman has referred to—when his sheep were mustered at the corner where he had his homestead, they were no sooner let go than the greater number of them were away off the ground altogether, preferring to graze on other people's land rather than to eat the fern on their own. This was before the fences were erected or the land grassed.

116. My object in asking you is this: whose money was this £500? How did it come to you?—Sir George Grey gave it.

117. A Government grant?—I presume so.

118. That £500 was put into sheep?—Yes.