be the probable value to let of the estate on the termination of the lease?—I should recommend the trustees myself that they should take into consideration the advisability of cutting the block, now the railway runs through it, into small lots, and letting them on long leases. I think it would bring in a much larger rental that way." Do you agree with that?—There is no doubt about it. If the land had been put up for close settlement it would probably have brought a higher rental. But, of course, it is only a fair thing to compare the question of trustees dealing with an estate where they are keeping up an institution as a going concern, with the Government's dealing with the estate. Of course, the Government have the money to form roads and to lay out of income for a certain time, and, therefore, they could make the best use of it. But, in the case of trustees who have to keep up a going concern, and who have no money to spend on roads and administration, it is quite a different question. You cannot place the two exactly on parallel lines.

10. You think, having regard to all these facts you have mentioned, and more particularly to the fact that the trustees had to be certain of a revenue in hand to carry on the school, and that they had no money to expend on roads and subdivision, they were justified in granting that lease?—I would like to say that I think all trustees in dealing with land such as this should invite public tenders. I think that is a rule which should be always observed. It is quite possible that in calling for public tenders and going through them afterwards there might be one or two higher, but that the trustees might consider that Archdeacon Williams was the best tenant, and might lease the estate to him. But the principle of calling for public tenders in dealing with trust lands is, I think, a sound one.

11. Referring also to the evidence given before the Legislative Council in 1875, this question and answer appear: "What, in your opinion, would be the probable value of the trust property when the lease falls in, and what course, in your opinion, would best benefit the trust in the disposal of the property at such a time?—It is difficult to fix any definite sum, but inasmuch as the estate will have been very considerably improved since 1869, it should command a proportionably higher rental. As the property adjoins the railway the best course, in my opinion, to be followed in dealing with it would be to cut up any suitable portions into small holdings, and let them on long leases." Do you agree with that?—I think that was very sound advice. Of course, I may say I know all these properties in Hawke's Bay thoroughly. I knew them first in 1869, when I was sent down as a special commissioner on behalf of the General Government in connection with a dispute between the General and Provincial Governments.

12. Do you know that the trustee before granting these leases got valuations made—of the last lease by Mr. Baker, and of the previous lease by some other valuer?—I saw that on looking through the evidence this morning, but I did not know it before. I think it is only right to say that for leasehold property I have never seen a property better kept in my life. It has been splendidly kept. The fencing and everything about it is really in splendid order. When I first saw the country in 1869 it was all rough and in fern, and when I saw it the other day I could hardly believe it was the same land.

13. Can you say about how much per acre has been expended on the land?—I could not possibly tell that without going into the figures.

14. We have a lot of evidence before us as to the adaptability of this land to dairying purposes: have you any opinion to offer as to that?—It is a very difficult matter, because I consider a good deal of that land is fit for dairying, but they do not appear to be going in for dairying in that part of the country.

15. *Mr. Lee.*] Is it not because of the fear of drought?—That has a good deal to do with it. I know Hawke's Bay well, and during the last two years they have had splendid seasons; but I have seen Hawke's Bay when the whole country has been burnt up. This particular property does not dry up as much as a good few of the other properties. There are some very nice springs and streams through it.

16. *Mr. Hogg.*] Most of it is pretty well watered?—I should call it fairly well watered.

17. What proportion of these 6,469 acres do you think is inferior land?—About 1,200 acres I should call inferior, and, I suppose, there are perhaps another 2,000 acres that might be called steep land.

18. Would the remaining 4,000 acres cut up into areas of 150 to 250 acres?—I should rather like, because of the uncertainty of the seasons, to make the areas 300 acres on the average.

19. Would that apply to 4,000 acres?—To about 3,000 acres—certainly to a little less than half.

20. Could you say, roughly, into how many good family homesteads the estate could be divided?—I have not gone into that question, but I should say twenty families certainly might be placed there. Some of the inferior land you could not cut up into less than from 500 to 600 acres.

21. Is much of the land ploughable?—A considerable portion of it.

22. And suitable for cropping?—Yes.

23. Do you know whether the farmers in the vicinity have been successful in cropping their land?—In the Argyll Settlement they have been most successful in cropping the land. I visited the settlement on this occasion on purpose to see it. There is one man on the Argyll Settlement who got over 90 bushels of oats to the acre.

24. Do you know what rental that man was paying?—No, but he has, I think, obtained one of the higher-priced sections, which run from 7s. to 11s. per acre.

25. Do you think the revenue of the school would suffer in any way supposing the land were subdivided in this way?—That is a difficult question to answer. There would be no danger at all supposing the estate was administered by the Government; but the trustees, who have to keep the school as a going concern, have no money to enable them to stand out of their rent and interest.

26. Assuming they were able to borrow money to subdivide and make roads, do you think the revenue would suffer in any way?—Certainly not.