

40. *Mr. Parata.*] Suppose the land were used for grazing or for agricultural purposes, what would its annual return be?—It is scattered all over the East Coast, but my general impression is that if it were economically managed, and if a little capital were sunk in it, in a few years' time it would return 5 or 6 per cent. It is a fine country, but the trustees have no capital to work it, and at present it is lying useless, like a water-logged ship.

41. *Mr. E. G. Allen.*] Cannot the land be leased?—In January next the mortgagees can go to the Court and apply for permission to sell, so that any lease that is made will be valueless. An arrangement, however, was made by which the term was practically extended for three years, unless circumstances take such a turn as to show that the interest of the mortgagees would be sacrificed by so great an extension.

42. *Mr. Parata.*] To the best of your knowledge, how many sheep would this country carry to the acre?—I cannot say.

*Mr. Heke:* On the average, one sheep to the acre, which would pay handsomely. My private opinion, however, is that when the land is improved it will carry more than that. At present it is all bush, scrub, and fern land.

TUESDAY, 7TH DECEMBER, 1897.

Mr. H. C. JACKSON examined.

1. *The Chairman.*] The Committee wish, Mr. Jackson, to know if you can give them some particulars in reference to lands on the East Coast which are under the New Zealand Estates Company. They are anxious to hear the evidence of Mr. Foster, but as he will not be here for some days, it is understood that you can supply the required information—that is, as to the position of this company?—Yes, I think I can give the information up to the 30th July.

2. *Hon. J. Carroll.*] Your position is that of receiver in these trust estates, is it not?—Yes; I am one of three Receivers appointed by the Validation Court—the Carroll-Wi Pere Trust.

3. *Mr. Monk.*] I will suggest to Mr. Jackson the lines upon which evidence is required. (To witness): The Committee have received statements which conflict in this respect: One part of the evidence goes to show that the income of the company is a certain amount, and another portion of the evidence shows that it is quite a different amount. The Committee desire to know if you can supply them with the actual gross income, the actual net income, and also as to what prospects there are or what arrangements are being made for an ultimate release of the land in favour of the Natives, or the company, which is the same thing?—I regret to say that I am unable to give exact figures, as they fluctuate with the price of wool and other products. For last year, by the accounts rendered by the Estates Company to the Receivers, they estimate the income from wool at three thousand three hundred and odd pounds. Then there are certain portions of the estate under lease—viz., Mangahaea No. 2 Block, which produces a yearly revenue to the Trustees of £403 14s., and from a portion of the Mangapoiki Estate there is a revenue of £125 per annum. Negotiations are pending with Mr. G. C. Ormond for a lease of a portion of the Mahia property, which will add to the income about £100 per annum. That is all, so far as I am aware. The gross revenue would be about £3,900.

4. Have you estimated anything as to proceeds of the sale of fat stock?—Yes; that is included in the estimate for wool.

5. How many thousand sheep are there?—The last returns show about eighteen thousand.

6. Of what description?—I am not aware of that. I am speaking of the net proceeds of the estate.

7. *Mr. Wi Pere.*] You mean to say that is the net income after paying all expenses?—Yes.

8. *Mr. Monk.*] Can you tell us what was the amount of the indebtedness of the company five years ago?—In 1892 the accounts as rendered by the Estates Company to the Trustees show the indebtedness to have been £58,000.

9. And what is the amount to-day?—The accounts as rendered on the 23rd July last to the Receivers show that the indebtedness then amounted to £91,000, to which must be added a separate stock mortgage amounting to between £9,000 and £10,000.

10. What is the cause of such increase during the last five years—the indebtedness has nearly doubled?—I think a large proportion of the increase must be set down to the accumulation of interest, and to expenses in connection with litigation that has been going on during the time. I can give the Committee some of the items. The charges for interest in the accounts rendered by the Estates Company from the 17th February, 1892, to the 23rd July, 1897, amount to £24,896 7s. 2d. The untaxed legal costs charged in these accounts are, as near as I can ascertain, £6,020. In 1894 the Validation Court first sat. I have a detailed summary of all the legal expenses in connection with that Court. This is since I have been one of the Receivers, a part of my duties being to keep the accounts. The total bills for legal expenses as shown in this summary amount to about £14,000. [Witness explained here that on the 17th February, 1893, in consequence of arrangements come to between the New Zealand Native Land Settlement Company, or, as it is now called, the Estates Company, these properties were handed over in trust to Messrs. Carroll and Wi Pere, on behalf of the Native owners or beneficiaries.] In the accounts rendered to these gentlemen items appear for legal expenses amounting to £6,020, and these costs, so far as I can learn, have not been scrutinised by any taxing-master or Court. On the 26th June, 1895, the Validation Court made its first decree—the Judge appointed me to act with Messrs. Carroll and Wi Pere in the matter. Since then I have kept the accounts, and the amount of the legal expenses is shown in this summary, of which I can supply a copy to the Committee. The bills as rendered amount to £14,904 10s. 7d. Under taxation, in which I appeared personally before the Registrar of the Supreme Court, in every case, there has been disallowed