

been wiser to have opened up more country, and to have rendered it fit to carry more stock in order to make the properties self-supporting. As an indication of what we have done, I may say that in 1896 the receipts over expenditure amounted to only some £300 or £400. By rigid economy and management, last year the income exceeded the expenditure by over £3,000. I think we shall do better this year. But there are greater possibilities by bringing larger areas into occupation. For instance, there are 3,000 or 4,000 acres at Maraetaha of good land and in a good position—it is at present covered with bush—if it were felled, it would probably carry another 20,000 sheep, with no very great expenditure.

23. How much would it cost per acre to bring such land into pasture?—In that position it would probably cost £2 5s. to bring it into grass.

24. There you increase the capital at once?—Yes; but the land in its present state is probably saleable at £1 per acre. The spending of another £2 5s. per acre on it brings it up to £3 5s. If that land will then carry from three to four sheep per acre for a number of years it would prove a very judicious expenditure, there is no doubt about that. But I have not been over all the blocks, and have no very definite ideas as to what may be necessary in future.

25. It seems to me, that unless the Committee have some definite scheme by which the Natives are to be relieved, it would be better for them to recommend the adoption of some more heroic measure—such as sacrificing a portion of the property in order to save the rest. (To witness) As you are going on now, your capital is increasing rapidly?—Yes; because it has never paid interest, but it is to my mind quite within the possibilities that the estate should provide for the interest—not immediately, but in course of time.

26. *Mr. Stevens.*] If a basis were laid down to work, say, for a period of five years, with a capital debt of £100,000, and by the expenditure of another £25,000 you could increase the receipts by, say, double, then you could afford to wait for your interest until your improvements had matured; it is clearly not a matter that you can deal with in one or two years?—No.

27. *Mr. Monk.*] Nor yet in five years? I do not think that a private individual encumbered to this extent would be justified in spending a few thousands more in the hope of retrieving himself within a reasonable period, because he must make a reasonable sinking fund. Now, any sinking fund that you can provide in the next five years will be small?—Yes. I am merely instancing these properties as capable of improvement. I do not mean to say that the bank would do it unless we fail to get an occupier. My idea is to lease.

28. But a European is not going to lease rough country like that without having a very long term to recuperate his outlay, and also a very low rent to start with?—Of course, the European is assumed to know what he is doing, and to pay what he estimates is the value of the lease to him. If the bank can arrive at the first value of the country in its rough state, and get fair interest upon that, it is all that can be expected.

29. But such a position would not relieve the Natives?—I do not know that.

30. You lease the land for an improving lease at its rough value—it will be a very long time before the income will meet such gigantic liabilities as you have here?—Well, the liability is practically £120,000. Assuming there are about 500,000 acres: there is some of that land in pretty big blocks that would range as high as £5 and £6 an acre; there are other blocks that would be valued as low as half-a-crown. Taking the mean of these figures for 500,000 acres, or even below the mean, I think it will be seen that there is a surplus over the 120,000 liability.

31. Then would it not be wise to sell that high-priced land, and bring the debt down to a low and manageable amount?—So far as the bank is concerned, we should like to begin selling straight away, and so relieve the estate of its liability; but at the request of the trustees we are tied until 1901, except in case of default.

32. As the trustees have come before this Committee, I am simply trying to discover if there is not some means by which the Natives may ultimately be placed in a better position. I fear they are going to be a long time in getting off their present burden?—I agree with you that a more expeditious method would be desirable; and if we were free to act as I think would be best for all parties, I should say sell some of the more accessible or valuable lands and so reduce the debt. But the Natives have expressed a wish not to sell until 1901.

33. *Mr. Heke.*] The first difficulty that you are met with is that the Natives' interests in these lands are not in the whole of the lands—there are separate owners to each block—if you sell a portion, there would be certain individuals who would have no interest in the remainder of the property. If the properties could be pooled?—They are pooled already in regard to a certain portion—that is, in respect to the “completed” titles. They are responsible for the whole amount of the debt; but the more recently acquired securities have allotted to them specified sums.

34. *Mr. Monk.*] It seems that there are certain properties that it is better to abandon than to incur further costly litigation, even if such litigation should prove successful?—Yes; and with regard to other blocks over which we have claims through the Native Lands Settlement Company we shall certainly never spend £1 to get only £1; we shall only incur expense where we think that the outcome should warrant it.

35. Your debt five years ago was £58,000, now it is £120,000 or £130,000, and it seems to have been largely swollen by litigation: is it not desirable to altogether abandon anything in the way of litigation; for it seems there are parties who put their hands upon these transactions, and the trustees seem powerless to keep them off? It is not litigation in the sense in which the word is generally used; litigation generally conveys the meaning of fighting. We have not been fighting, but endeavouring to perfect titles.

36. £20,000 in law costs seems extraordinary?—Yes. I do not know how costs can have so mounted up, but the costs are there. But, having arrived at the position the bank is now in, I see no necessity for further legal costs; and as far as we are concerned we are determined not to incur them, unless the other side by employing solicitors necessitate the employment of solicitors on our side for our protection.