

222. Do you know the terms of the present lease to Archdeacon Williams?—I do not. I have heard it is a twelve years' lease.

223. It is for twelve years from the 1st August, 1903, at a yearly rental of £2,200 per annum: looking at the whole of the surrounding circumstances do you consider that a fair lease?—Well, I am not in a position to give an opinion upon that point, because to give an opinion of that sort it would be necessary to go over the whole property. But I have told you the state of the country when the Archdeacon first took it in hand. I would not like to give a value to that land without first going carefully over it. I am not in a position to state whether the rent is a fair one or not.

224. Do you think the trustees acted imprudently in granting a lease for twelve years?—I should be very sorry to say so. Taking the surrounding circumstances into consideration, and the fact that the Archdeacon had broken the country in and had managed it for years, and that they had a good tenant, I think they would have been unwise to overlook the Archdeacon; but I am not going so far as to say what they should get for the lease. But I for one, if I had a good tenant to-morrow, would rather let him have a block of country at a little less than I would give it to one who would take all he could out of it and spend no money on it.

225. Then you say you are not in a position to express any opinion whatever as to the sufficiency of the rent?—No. It would be impossible to do so without going over the estate.

226. And you have no opinion on the subject?—I might have an opinion, but I value my opinion so much that I would not give it without going over the estate.

227. You never have formed any opinion?—Never.

228. *Mr. Hogg.*] You think that the Hawke's Bay climate is rather unsuitable for dairying?—I have seen three seasons dry here, when we were feeding our cows and cattle on willows and straw. I am rather frightened of it as a dairying district, taking the district as a whole. But there are parts of the district—on the alluvial deposits—where you could sow many acres of lucerne to keep the cattle going through the dry seasons. But, taking Hawke's Bay all through, it is not going to be a dairying district.

229. Do you know if dairy-farming has been attempted?—Yes, I started a dairy farm myself a few years ago, but that was on a swamp that I drained about seventeen years ago, and it never dries up in summer. It is of an alluvial nature, and land which will stand drought. But it is the hills of Hawke's Bay I am afraid of. Now, Hatuma has been a great success since it started. The people have had two very good seasons; but if they had had the seasons I have seen in Hawke's Bay, going into the third season without rain, it would have been a failure for dairy-farming. Hawke's Bay is very different from the west coast, where they get constant rain. It is more a dairying district than ours.

230. Is it on account of want of feed for the dairying industry?—On account of want of rain. There is plenty of water; I suppose there is not a better-watered country in the world. The only danger we old settlers see is dry seasons. I have seen the whole of the country eight or ten miles from Te Aute dried up. I bought seventeen thousand sheep from Mr. Coleman, who lived there that year. I had some hill country in Patea at that time, and I bought them at 2s. per head. I bought his forward wethers at 4s. per head. That will give you an idea of how we suffer from the drought.

231. I suppose you are aware that on Te Aute there is a good number of dry cattle as well as sheep?—Yes. Cattle do well on all our runs. We could not get on without them.

232. Is it not the case that where dry cattle succeed so well dairy-farming will succeed?—I have seen a mob of cattle going from Mr. Ormond's that were scarcely carrying their hides. They were sent out of the province because we had no feed for them. I would have liked to have bought them myself, but no one could buy them that year. A Waikato man came down, but he left most of them along the road.

233. Are you aware of the circumstances under which the trustees granted Archdeacon Williams a new lease of this land for twelve years?—I know just what I have read in the newspapers.

234. You know it was done without inviting tenders or calling in the services of an auctioneer: do you approve or disapprove of the process that was adopted?—The trustees are four very old settlers, and they should be capable of knowing what they were doing; and I suppose they came to the conclusion that they had a good tenant, and if they were satisfied with the rent they might say to themselves, "Well, we are quite satisfied with our tenant. He has taken an interest in the school for which the estate was set aside, and we are quite satisfied with the rent." I do not say they were right in taking that view, though they might have taken that view.

235. But if an expert valuer is called in to give a fair valuation do you not think they are quite justified in granting a lease from time to time without resorting to auction or inviting tenders?—Well, I would rather have a good tenant I knew than put it up to auction and have a bad one.

236. As a trustee would you consider you were perfectly justified in adopting this system?—I do not know what the duties of trustees are.

237. *Mr. Elliott.*] Knowing the land as you do from the time you arrived in the province, do you consider that in its present state it has been worked to the best advantage?—I should say so. The Te Aute people get the credit of being the best managers in the province. Mr. Allan Williams gets credit for turning out more young men as managers than anybody else in the colony.

238. Do you know anything about the land that is drained?—Yes. Everybody laughed at the Archdeacon in those days when he started to drain the swamp. Everybody said he could not do it, and he started a work which everybody thought would be a failure. But it has been a success. By making a bank of shingle and by tree-planting he succeeded in turning the river which made the swamp. That swamp has been turned into a very valuable grazing country.

239. *The Chairman.*] What was the price of wool at the time this lease was given?—I am sorry to say it was at its lowest. We were very much down in our spirits at the low price of everything that year; but it is quite different to-day. We have had years of prosperity since then.