

duced. But, all things considered, I left it at what I had put it at. This is the way I arrived at my valuation :—

<i>Income.</i>		£
7,500 sheep—Wool, 8 lb. per head, at 7d. per pound	...	1,750
5,000 ewes, increase 75 per cent. — 3,750	...	
Sheep sales, say, 3,350 at 8s. per head	...	1,340
Cattle sales estimated at	...	750
		<hr/> 3,840
<i>Outgoings.</i>		
Working-expenses	...	£1,900
Rates and taxes	...	205
Interest on capital invested in stock, £7,800, at 6 per cent.	...	468
		<hr/> 1,673
Net income	...	£2,167

Net income per acre — 6s. 3d.

That gives 6s. 3d. per acre as the rental value of the property. But the rental value of the property depends in very great measure on the length of the lease. In this case a very short lease was offered to the Archdeacon—seven or twelve years. There is a very great difference between those conditions and the conditions under which the land-for-settlements land was taken up—namely, a 999 years' lease, at 5 per cent. on the capital value.

59. Do you think the trustees would not have gained by cutting the land up?—It would have been very doubtful. I was simply asked to value the whole property.

60. Do you know whether previous to this lease being renewed there had been any agitation here for the cutting-up of this land?—There was long ago, but I have seen no agitation for it.

61. You say there was no demand for land for close settlement?—Hatuma was advertised all over the colony at very great expense. All these expenses are added to the rents of the land. The conditions are totally different under which the trustees offered the land and the conditions under the Lands for Settlements Act. Many settlers will go in for a 999 years' lease—which is practically freehold, without any increase in the rental—when people will not go in for twenty-one years' lease without an improvement clause.

62. There is only a small portion of this land suitable for dairying?—Yes.

63. Do you know if the land, the climate, and other circumstances rendered it suitable for fruit-growing?—I dare say some of it would be suitable for fruit-growing. Most of it is unfitted for fruit-growing or for small settlement. I would like to say this: that before coming to a conclusion as to what was to be the value per acre, I worked out what the lessee was paying for the Pourerere Estate lease by Nairn's trustees to Mr. Busby. I reckoned it out in exactly the same way, from the stock-carrying capacity of the land. It worked out at 6s. 2d. per acre. Also the Kohinerakau property leased to Mr. Dillon—4,054 acres; rental, £1,160; per acre, 5s. 8½d. Chadwick to Dillon:—

*Pourerere Lease (Nairn's Trustees to Busby).*

Lease dated January, 1901, for ten years, of 28,698 acres, at £9,393 per annum, including stock—45,670 sheep, 64 head of cattle, and 50 horses. Tenant to spend £1,800 per annum in improvements. An extension from January, 1901, was granted at £8,168 per annum, all other conditions being the same.

	£
Rental	8,168
Tenant to spend on improvements per annum	1,800
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Total rent for land and stock	9,968
Estimated value of stock which go with property, £19,054: deduct interest on capital value of stock at 6 per cent.	1,143
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Rental on ground value	£8,825

Rental per acre without stock — 6s. 1d.

My valuation was made on a falling market, and wool fell very considerably afterwards.

64. *Mr. Lee.*] In your valuation you say "land and improvements"?—My instructions were not to value the buildings and 130 acres (I stated 130 acres, but found it was 30 acres) on which the school buildings stand.

65. You made your valuation in 1900?—Yes.

66. The lease was issued in 1903?—I do not know.

67. If you had made the valuation in 1903 would there have been any difference between that valuation and the one made in 1900?—As far as I can remember the wool market, the probability is it might have been a bit lower, certainly not higher; but I am not quite certain.

68. Did you make your calculations on a certain quantity of stock on the land?—Yes.

69. Did you consider at the time you took the number of the stock that the land was fully stocked?—I said in my report that owing to the favourable season there was an abundance of feed, but that in ordinary seasons there would not be the same amount of stock. It was owing to a very long wet season that there was such an abundance of feed.

70. But, speaking generally, you think it was fully stocked?—Yes.

71. *Mr. Ngata.*] We have it from Mr. Coutts that the capital value of the estate, exclusive of buildings, would be about £6 8s. an acre?—I think mine worked out at about £6.