passed, whilst they lose the pre-emption of renewal conceded to them prior to the passing of "The Native Reserves Act, 1882." On the other hand, the occupiers (locally known as sub-tenants), whilst gaining the same restricted right of valuation for improvements as the lessees, lose in effect more than their landlords; for to the immediate occupier the right of renewal means more than to the original lessee, who, in some instances, has drawn rack rents, without spending a shilling on his lease. By right of renewal, as affecting sub-lessees, we mean the right admittedly secured to them by the Commissioner of benefiting by a similar extension of term to that conceded to original tenants upon renewal of their leases. The original lessees of the Greymouth Reserve have been permitted to divide their holdings into building sites, sub-letting the same at a rent always in excess of their own—occasionally at a rack rent—to tenants who, as a rule, have erected substantial buildings, and otherwise spent considerable sums in improvements. These sub-tenants have neglected to guard their interests by any agreement as to valuation for improvements or renewal of lease, on their landlord's obtaining one for himself. These sub-leases fall in at periods, varying from one day to twelve years prior to the expiration of their landlords' term. In many instances renewals have been granted to the original lessees by the Commissioner during the currency of their leases, with an implied understanding that the same privilege should be conceded to the sub-tenants. As a rule, this understanding has not been acted upon. Sub-tenants, whose leases would have expired a day before the original lease of their landlords, find that, under these renewals, their interests cease years before the renewed leases expire, and that the expenditure and labour they have incurred will pass from them into the hands of the original lessee. Section 5 of "The Native Reserves Act, 1883," fails to meet these cases, as it only provides for a valuation about twelve months before the expiration of the original lease. Many of these sub-tenants have purchased from the first sub-lessee, paying considerable sums for improvements and goodwill, in the expectation of getting a renewal of these sub-leases. This hope has been disappointed by the renewal of the original leases as above referred to. On the other hand, some of the holders of original leases have bought in at substantial prices, counting on the sub-tenants' improvements becoming theirs before the original leases expired; counting also upon the Commissioner's custom to renew all leases on application. Thus it will appear that, whilst neither tenant nor sub-tenant could enforce their claims for a renewed lease at law, both have equitable claims to a renewal of the same lease, though based upon widely different grounds. The existence of these sub-tenants' interests was for the first time recognized in the Act of 1883, with the apparent intention of providing some remedy for their grievances. Sub-tenants, as also original lessees, complain bitterly of the failure of this Act to carry into effect its supposed intended purpose.

Having thus in detail referred to certain of the grievances brought under our notice at Greymouth, we would suggest the following remedies, distinguishing between those that can and should be immediately applied and those that, though equally important and urgent, yet, being rendered necessary as a consequence of the limited power conferred by the statute now in force, will require to await legislation before the remedy can be applied.

The following are the measures that we believe should at once be taken to deal with the evils and grievances which are daily growing in number and magnitude. It must be clearly understood that the Commissioners see no alternative but to recommend a special appointment to meet an exceptional emergency; such appointment they consider as purely a temporary one, ending with the adjustment of the difficulties, but rendered imperative under existing circumstances. The Commissioners are aware that they are placing a liberal interpretation upon the powers conferred upon a Native Reserves Commissioner appointed under section 27 of "The Native Reserves Act, 1882," but they are also aware that, if this interpretation is not conceded, the difficulties immediately requiring to be dealt with are insuperable.

Recommendation.

Our recommendation then is as follows—viz.: That a Native Reserves Commissioner be appointed, as provided by section 27 of "The Natives Reserves Act, 1882," with power, subject to the direction of the Public Trustee, to negotiate a final settlement of all conflicting interests, whether of lessees or sub-lesses, on the Greymouth Reserve, that have arisen as a result of the method of managing the business relating to the administration of Native reserves in the past, and as a consequence of the delay in giving effect to the directions contained in section 5 of "The South Island Native Reserves Act, 1883." That such Commissioner, subject as aforesaid to the Public Trustee, shall have full power to appoint one or more valuers to assess the improvements effected by lessee or sub-lessee on their respective holdings, and shall, either himself or by such valuers, assess the value of the goodwill of the lessee in the unexpired portion of his lease, and also of both lessee and sub-tenant in any value attachable to the implied right of renewal claimed by both or either. The lessees should have the right of appeal against any such assessment—for actual improvements only—to the arbitration of two valuers; one to be appointed by the Commissioner, the other by the appellant, with power to choose an umpire, the cost of such appeal and of all valuations to be attached to the amount assessed, and paid as hereinafter provided. The Native Reserves Commissioner so appointed shall decide who is entitled to a renewed lease in fulfilment of the promise or agreements reported by the Royal Commissioners to have been entered into by Mr. Commissioner Mackay. Then such agreement shall, under the provision of section 10 of "The Native Reserves Act, 1882," be deemed to have been made with the Public Trustee. That, on such valuation being made, the Native Reserves Commissioner shall arrange a settlement between the lessee and his tenant, the one to purchase out the right of the other on the basis of the aforesaid valuation—the occupier having the first refusal; a renewal lease to be granted to the purchaser by the Public Trustee, under the provisions of section 10 of the Act of 1882. Should neither lessee nor sub-lessee agree to purchase out the other's interest, then, at the expiration of the original lease from the Trust, the said holdings held as sub-leases thereon shall be submitted to public auction in