

sidered as a change from leases, given by the Natives and confirmed, by which all improvements would have reverted to the Natives at the end of the term, to leases for thirty years, by which none of the improvements could revert to the Natives, and that not merely for the thirty years, but practically in perpetuity, owing to the Glasgow provision. In short, the interest of the Natives in these estates has been reduced to an annuity computed at intervals of thirty years on the unimproved value of the lands. Some three or four leases appear to have been actually issued in exchange for confirmed leases. The issue of the new leases beyond the few last mentioned was made the subject of litigation, and the Suspension Act of 1889 stayed such proceedings, and arrested the issue of the leases. It may be here mentioned that arbitrations took place, and the leases now suspended have been based, on them. In nearly all cases the existing rentals were reduced, and in some instances the reductions were large. These arbitrations occupied several months, and cost a large amount, partly caused by the service of vast numbers of notices on Natives interested to appear before the Arbitration Courts. The arbitrators acted on regulations made under the Act of 1887, and considered them in the light of instructions for their guidance, and it does not seem that having these regulations given to them for that purpose they could have done otherwise.

The arbitrations appear to have been attended with great expense to the parties, and this circumstance has weighed with your Committee in arriving at the recommendation which it has made. Your Committee sees no reason for interfering with the way in which these expenses have been apportioned and paid—namely, three-fourths by the lessee and one-fourth by the Natives.

Your Committee further recommends that the management of the estates should remain either with the Public Trustee or some equally responsible authority.

Your Committee has taken up this complicated question from the point at which the Suspension Act of last year left it, as the order of reference clearly necessitated. The parties concerned have been represented by counsel, whose addresses, together with a great mass of evidence, accompany this report.

Your Committee conceives it to be its duty to report whether, in its opinion, the leases to be substituted for the confirmed leases are just.

Your Committee has throughout experienced great difficulty in reconciling the legal with the equitable view of the questions submitted for its consideration.

The passing of the Act of 1887, confiscating as it did the improvements which belonged to the Natives, was an injustice to them, whilst, on the other hand, there was evidence produced to show that, in consequence of and relying on that Act, and also of the representations made by Mr. Mackay in 1884, improvements were made by lessees which would not otherwise have been made. Your Committee is satisfied that, to give effect to the awards absolutely, an injustice would be done to the Natives, as the rents fixed for the whole term of thirty years were arrived at on an inequitable basis, but to refuse to give the lessees any redress so as to recoup them for their improvements would be equally inequitable.

Your Committee, therefore, begs to recommend that leases be granted to the lessees of the land held by them on the following terms and conditions:—

1. Term, thirty years from the dates of the awards respectively.
2. The yearly rent for the first fifteen years of the term to be the rents already fixed by the arbitrators; the object being that these rents, which are low, shall, during that period, recoup the lessees for all the improvements to which they may be entitled, either legally or equitably.
3. The yearly rents for the second period of fifteen years of the term to be 5 per cent. on the capital value of the demised land as ascertained by the property-tax valuation taken next before the end of the first fifteen years of the term, such value to include all improvements of every kind, the intention being that, in taking the property-tax valuation as a basis of rental for the last fifteen years, the whole capital value of the land, including all existing improvements and unencumbered and undiminished by any leasehold or other interests, shall be the basis of the rental.
4. At the end of the term, whether by effluxion of time or other sooner determination thereof, all the improvements whatsoever to revert to the lessor without compensation or any right of renewal.
5. All buildings to be kept fully insured by the lessee in the names of the lessor and the lessee, and the moneys, in case of fire, to be expended in rebuilding.
6. All rates, taxes, and other outgoings (except the lessor's property-tax, if any) to be paid by the lessees.
7. All buildings and fences to be kept and left in good repair, and the lease to include usual covenants for leaving the land which has been brought under cultivation in proper condition, and with a due proportion of land left in English grass.
8. The land to be kept free of all gorse, sweetbriar, broom, or other noxious growth.
9. A proviso for re-entry in case of non-payment of rent for thirty days, or on breach of covenant.
10. Your Committee is of opinion that, as a matter of principle, all cases of confirmed leases should be treated alike, whether the new leases have been executed and issued or not. To give effect to the recommendation of your Committee, the leases already executed and issued, the leases agreed to be issued, and all rights existing thereunder respectively must be cancelled by statute.

4th September, 1890.

E. C. J. STEVENS,
Chairman.