

says,—“4. The Governor in Council is hereby empowered to make and set apart reserves for Natives within the confiscated territory, to be inalienable by sale, lease, or other disposition, and to issue Crown grants for the same subject to such terms, conditions, and limitations as he may think fit; also to make and set apart reserves for the benefit of Natives to be alienable, but which shall be disposed of under the authority of an Act of the General Assembly to be hereafter passed for regulating such disposal and otherwise.” The Committee will notice that there was to be an Act passed for the regulation and disposal of the reserves given to the Natives. That Act was passed in 1881, and was called “The West Coast Settlement Reserves Act, 1881.” That Act appointed a Trustee and gave him power to administer the reserves; but no reserves were to be alienated except when the Trustee concurred. An important part of this Act, which now arises, was the power to lease. That is provided for in section 11, and it said that any part of the reserve might be leased on certain conditions, which I shall very briefly refer to. The first is that for agricultural purposes, to any person or persons, for any term not exceeding twenty-one years in possession, subject to such covenants and provisoes as shall seem fair and equitable; and for building purposes, for any period not exceeding forty-two years. And this is an important provision: “No person by himself, or by or jointly with any other person on his behalf, shall be allowed to hold of suburban land more than 40 acres, and of rural land more than 640 acres; but any person may occupy together suburban and rural lands not exceeding the maximum area thereof respectively.” There was a limitation of the area which a person could hold, either by himself or with others. Then there were certain provisoes in the lease. The first was that every lease should be disposed of by public tender or by auction; that the rent to be reserved should be the best improved rent obtainable at the time; that no fine, premium, or foregift should, in any case, be taken upon any lease; that no person in any way concerned with the administration of the Act should be personally, directly, or indirectly interested in any lease; that every lease should be prepared at the cost of the lessee, to be paid for before any such lease shall be signed by the lessor; and so on. Now, those were the provisions for leasing, shortly told. Agricultural land could be leased for any term not exceeding twenty-one years, no person being allowed to get more than 40 acres of suburban and 640 acres of rural land. There was no provision for renewals, and no provision for paying for improvements. In this Act of 1881, in section 18, there was power given to confirm leases that had been granted by the Maoris prior to the appointment of the Commission or to the passing of “The Confiscated Lands Inquiry and Maori Prisoners’ Trials Act, 1879.” The leases provided to be confirmed by the Act of 1881 were leases that had been made before the Government had set aside the reserves. But these leases could only be confirmed if the Commissioner—who was Sir William Fox—could certify three things: First, that the lease was made *bonâ fide*, and was granted by the persons shown to be entitled to the land described in the lease, or subject to the issue of a Crown grant to the same persons who confirmed the lease; second, that the terms of the lease were fair and equitable to the Natives at the time the lease was granted; and, third, that the conditions of the lease had been duly performed. Now, Sir William Fox reported on a large number of these leases. Some, he reported, should be confirmed, and some, he reported, should not be confirmed. That was all dealt with in the Act of 1881, so far as the confirming of the leases was concerned. The Committee will notice the first limitation—namely, that the person who granted the leases was to show that he was entitled to the land, and was to get the Crown grant. What happened was this: that a great number of people had given a lease over land to which they had no title, and who never got a title. I would point out also that they could confirm a lease under this Act of 1881 though the area exceeded the area that the Natives could lease, because it says that a confirmed lease need not be of the same area as a lease under section 11—that is, that a lease could be confirmed under the Act of 1881, although the Act of 1881 prohibited them granting a new lease of more than 640 acres. It will be noticed, also, that under this Act there was power to make regulations. Regulations were made or purported to be made under this Act of 1881. These regulations were made on the 13th February, 1883, and were published in the *New Zealand Gazette*, Vol. i., page 202, 1883. In these regulations there were certain things that, I submit, the Governor had no power to make, and was not authorised by the Act of 1881 to make. I submit that he had no power to provide for granting valuations for improvements. (See Regulations 30 and 31, *New Zealand Gazette*, Vol. i., 1883, page 202.) That was the provision, and there was a form of lease put in the regulations which has this provision in it: “And it is hereby expressly agreed and declared between and by the said parties hereto that, within three months before the determination of this demise by effluxion of time, all buildings and fixtures, including fencing on the land hereby demised, which shall be deemed to be substantial improvements under the regulations made under the said Act, shall be valued by arbitration in the manner hereinafter mentioned, and a fresh lease of the said land for the same period and on the same conditions as this lease shall be offered for sale by public tender, subject to the payment by the incoming tenant to the lessee of the valuation so to be ascertained as aforesaid; and, in the event of there being no accepted tenderer at the said auction, the lessee shall have the option of accepting a new lease of the said land for the same period and on the same conditions as this lease, at a rental to be fixed by arbitration as hereinafter provided, but in the fixing of which the arbitrators or umpire shall not be entitled to take into consideration the value of the improvements for which the lessee would otherwise have been entitled to payment as aforesaid; and, if the lessee shall decline to accept such new lease, or to execute a counterpart thereof, on the same being tendered to him for the purpose, he shall forfeit all right and title to the value of such improvements as aforesaid.” This was practically providing for perpetual lease, or what is called the “Glasgow lease,” for building-land, because under it the lessee is allowed to get a twenty-one years’ lease continued by putting it up to auction, and if not successful the tenant can get compensation for improvements. There was no power to give this special provision. There was no power given in the statute to give perpetual renewal, and no power whatever for compelling the lessor to pay for improvements.