

reasonable and fair. Having come to this determination, we determined that we would take the capital value, deduct the improvements, and then take 5 per cent.: that was the way we made our calculation. We would never have got through at all if we went either for low rents or high rents, or extreme values.

2220. You say that the other side had some memorandum: did you ever hear of a meeting Mr. Mackay had with the lessees in 1884, in which he interpreted the meaning of the Act to them, and pointed out certain promises to be made?—I know that the lessees had many meetings.

2221. You did not know whether the memorandum Cowern and Nolan had was an account of this meeting?—No.

2222. Did you not know that your position as an arbitrator was this: that you had to consider what would be a fair rent as between the Natives and the lessees for a thirty years' lease?—I considered that what we had to do was to arrive at a fair and equitable rent.

2223. Did you understand that you had to do anything except to compute the rent?—I read the regulation, under which, it appeared to me, our duty was to settle and fix the terms of the award. I will show you how I understood it. I wrote it down: in one case they would not accept unless it was in accordance with some Government form. Mr. Barton accepted and approved, but the others are not made out actually in that form.

2224. Did you take it for granted that in all cases the leases were to be for thirty years—did you determine that?—We determined according to the regulations: I believe we could have made it for one year; but that would have been manifestly unfair. There was no one to discuss it when I made the first one.

2225. You were umpire in that case?—Yes.

2226. In the other cases you agreed on it?—Yes.

2227. Then, about compensation for improvements, did you in every case discuss that?—Yes.

2228. For all improvements?—For all unexhausted improvements.

2229. You took it for granted that should be so?—Yes.

2230. In computing the rent, did you consider that you were to fix a fair rent for a thirty years' lease with full compensation at the end of the term?—Yes.

2231. You say that 5 per cent. on the capital value is a fair rent for thirty years?—Yes.

2232. Suppose you had a property which you were leasing yourself, would you grant a lease—say it was unimproved land—at 5 per cent. on the capital value?—Yes: I hold a lease much the same. About eighteen or nineteen years ago I leased a piece of ground belonging to Major Gudgeon. We agreed for £30 for ten years and £70 for the last eleven years. I had a purchasing-clause for £7 an acre. There were 400 acres. If I do not purchase he has to pay me for the improvements.

2233. Was the rent you paid only 5 per cent. on the capital value at that time?—I do not think it would be so much as 5 per cent.

2234. Was it worth £7 an acre when you took it?—No.

2235. What would it be worth?—It would be worth a good deal. Fat bullocks were then selling for £10 apiece.

2236. What would you have given for it then?—I suppose it would be worth £5 or £5 10s.

2237. In reference to the evidence given before the arbitrators, did the Natives appear before you in most cases?—In all cases except two, Wilson's and Frere's. In Johnson's they did not appear. In one case nine Natives out of fifteen were present; but none of them would give evidence, good or bad.

2238. Did the arbitrators ask all questions, or did the lessees volunteer a statement?—We took a statement first and then we questioned them upon it.

2239. Then, in those cases you would say the Natives gave no evidence?—We took a statement. In no case did we take the tenants' valuation; we came to our own conclusions.

2240. Did you ask the Natives any questions as to their ideas?—In every case where they would give evidence. There were only four or five cases where the Natives would answer any questions as to values. The general tenor of what they said was that they did not want to have anything to do with new leases at all; they wanted to have back the land.

2241. You know Mr. C. R. Bailey?—Yes; he was one of those who served the notices.

2242. Is he a licensed interpreter?—He was then; he is not now. I have known him for a very long time—ten or twelve years, perhaps.

2243. He has been mixed up with Native affairs for a long time?—Yes.

2244. Did you ever know him to foment discontent among the Natives?—No.

2245. Do you know that a Committee of this House found that he, with Fisher and others, had fomented discontent among the Natives on the West Coast?—I have heard so, but I do not know. He has done a lot of business for me. I have every confidence in him, and would employ him again.

2246. *Mr. Sinclair.*] Do you know, or have you heard, that it is generally believed on the West Coast that these lessees can sell sheep at a shilling less than the freeholders can?—No; I have heard it stated that the lessees at the other side of the Waingongoro can.

2247. And that they can buy sheep at a shilling a head less?—I cannot say anything about that. The freeholders paid the market-value for their land, and leaseholders the market rent; but the leaseholders found that they had made a bad bargain, and got their leases reduced considerably for five years; but not with regard to confirmed leases is that the case. I have heard of it, but even if it is true it has nothing to do with the confirmed leases.

2248. Is it the general feeling of the Natives that they were opposed to these arbitration proceedings?—Yes, in every case except Okahu: some of the Natives there were agreeable. The Natives there were Rangiwahetu and some others. That was the only case.

2249. Do you know that the majority of the Natives were agreeable?—Rangiwahetu and those others were—two others.