

2877. Do you know what the improvements were on Ruatunoko?—I could tell you if you allow me to refer to my books.

2878. About Okahu: Are you aware that Okahu was included in the same sum—Nos. 10, 11?—£2,100? Yes.

2879. Can you give us roughly an estimate of the value of improvements on Ruatunoko and Okahu?—I would say roughly £2 an acre.

2880. *Mr. Wilson.*] You spoke of your instructions: what do you mean by “instructions”? From whom did you get them?—Our instructions we took under the West Coast Settlement Reserves Act, which were contained in the regulations issued under that Act.

2881. Did you, directly or indirectly, get any instructions from the Public Trustee or from the Public Trust Office?—No.

2882. *Hon. the Chairman.*] You say that the arbitrators—you being one—settled the rent on the value of the land put up for sale—that is, the selling-value of the land at the time—and that you then fixed the rent at 5 per cent. on the land without improvements—5 per cent. on the selling-value: how did you arrive at 5 per cent. as the proper basis?—It is usually considered that 5 per cent. on the cash value of land is a fair return. The Government themselves take that for a basis. They put up land at £1, or 5 per cent. on the capital value.

2883. Was that the reason?—Yes.

2884. You acted in a great many of these leases with Mr. Livingston?—Yes.

2885. Did you discuss with him, or did the arbitrators discuss among themselves, what you term the “instructions” they had?—Yes.

2886. They arranged the method on which you were to go to work?—Yes.

2887. I understood you to say that you were bound to give a thirty years’ lease: as to the basis of rent for a lease of thirty years, was there any difference of opinion between the arbitrators on that subject?—No. I do not think in any case there was so, unless it might be the case with Major Kemp. I would not say positively.

2888. *Mr. Peacock.*] In deciding on granting this lease you understood that compensation was to be given for improvements at the end of the lease?—Yes.

2889. What do you consider are the elements in a lease which makes it less valuable for a short period than a long one?—The greater length of time the lessee has the land, it undoubtedly follows that the more he can make of it; whereas under a short lease it gives no time to put up improvements.

2890. As a general rule, does the difference in value of a lease not arise from the fact that much of the improvements put on it are, or are not, to be retained by the lessee?—That may be so.

2891. If you take the capital value of the land less improvements, and take 5 per cent. on that, how would you make any difference in regard to a shorter lease—that is, if 5 per cent., less improvements, is the basis of your calculation?—In giving that for a short lease, a man would hardly get time to take a benefit out of the land.

2892. Do I understand that in taking 5 per cent. as a fair rent on the selling-value for thirty years, that if it had been less—say, twenty years—you would have taken a lower percentage than 5 per cent. on value?—I do not quite understand you.

2893. You say that at the selling-value you took 5 per cent. as the basis of the rent; then you say that the Government have been in the habit of adopting that percentage: now, if that was the case for a thirty years’ lease, would you have taken a lower percentage if the lease had been for a shorter period?—No, I do not know that we would.

2894. In what way did you take into account that the lease was for thirty years in deciding rent, when you were taking into consideration the granting of improvements at the end of the lease, independent of its length?—If it is one for five or six years it would not matter so much—it would not make so much difference.

2895. *Hon. the Chairman.*] I would like you to revert to that question which I asked you before. You are quite clear, are you, that the arbitrators considered themselves bound to take the whole period of thirty years into their calculation without varying the amount of rent either for the first year or for any other period?—Yes.

2896. You remember that the arbitrators discussed that question?—Yes.

2897. You agreed you were bound to take it for a uniform period of thirty years?—Yes.

2898. At one rent?—Yes.

2899. *Hon. Mr. Acland.*] I would like to ask the question as to whether, by deducting the whole of the improvements of every sort, it was brought down to what waste land is worth before any one goes on it?—It was.

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MONDAY, 4TH AUGUST, 1890.

Mr. MACKAY, West Coast Commissioner, examined.

2900. *Hon. the Chairman.*] I wish to distinguish clearly between the Public Trustee’s leases and the confirmed leases; also to distinguish clearly between the action taken by the Reserves Trustee and the West Coast Commissioner: I believe Mr. Mackay acted in both capacities?—

*Mr. Mackay:* I was first in one capacity and then in the other. I have a statement here, regarding my action as Reserves Trustee, which, if it were read to the Committee, would perhaps throw some light on the subject.