

that he had also been informed for the first time that the effect of the legislation that was proposed would be to give to the lessees full compensation for all improvements at the end of their new thirty years' leases. And the Committee will see that Major Atkinson on that occasion expressly denied that that was the case, and it was evidently not understood by the House that that would be the effect. It was, I say, not understood in the first session of 1887, nor, as I shall submit, in the second session also, that the effect of the legislation then being passed would be to give to the lessees renewals, with compensation for improvements.

However, I will not refer any further to this, but I will come to the Act of 1887 itself. I would like to point out to the Committee that that Act was passed on the 20th December, 1887, on the last day but one that the House sat—just before Christmas time, when members were beginning to depart—and there was a very short debate upon it, the only members who spoke being Major Atkinson, Mr. Taipua, and Mr. Carroll. It is evident on reading Mr. Taipua's and Mr. Carroll's speeches that they did not understand what the effect of the Act would be in giving perpetual renewals without the consent of the Natives, and altering the basis on which the new rents were to be computed; and also that they distinctly withdrew their opposition on the strength of a promise which had been made by the Premier that the control of the land should be handed back to the Natives next session. In fact, it was clearly not understood by the Parliament who passed the Bill, and probably by even the Premier himself, that the effect would be that the land could not be handed back to the Natives, but that it was perpetually removing it from their control. Now, sir, I submit that the effect of section 7 of the Act of 1887 was most unfair to the Natives, and I would like to read through that section to emphasize what I would say: "On the surrender of a lease under section 13 of the amending Act, a new lease may be granted to the former lessee at a rental to be computed on the value of the land comprised in the lease, less the value of any improvements thereon within the meaning of the existing regulations made under the said Act, and on such terms, subject as in the Amendment Act mentioned, as may be decided by arbitration, as provided by the said regulations, except that the Governor may in default for one month, from any cause by either party, appoint an arbitrator for such party in default." The section in itself looked a very innocent one, and I can quite understand that any one who read it could not at the time contemplate what the effect would actually be. What the effect actually was I now propose to show. In the first place, the effect of section 13 of the Act of 1884, by providing that the terms were to be such as should be agreed upon by the Public Trustee, the Native lessors, and the lessees—in effect, providing that no new lease should be granted without the consent of the Natives, and thus effectually protecting their interests—was, that it was impossible under that section to renew the leases at other than what the Natives, at any rate, should consider fair rents. But section 7 of the Act of 1887, by providing that the terms, instead of being determined by the Natives, the Public Trustee, and the lessees, should be determined by arbitration, in effect, took the control of the Natives altogether away. The position was this: Before, it was optional with the Natives whether a new lease should be granted or not, for, as they had to agree to the terms, they could refuse to agree to any terms; but, after the Act of 1887, although they could appoint an arbitrator to act for them, his sole province was to fix the rent, and perhaps the terms, it having been already decided by the Public Trustee that there should be a new lease. The practical effect has been that the lessees have, in every case where they have kept up the terms of their old leases, become practically entitled to a new lease. Before, the Natives could say whether they would renew the leases or not, but afterwards the lessees became practically entitled to a renewal without the consent of the Natives. That, I submit, is the most detrimental effect of that section.

*Mr. Stewart*: Section 7 does not repeal the consent of the Natives, as required under section 13 of the Act of 1884.

*Mr. Levi*: Yes, sir. [Mr. Levi again read section 7.]

*Hon. the Chairman*: You argue that section 7 of the Act of 1887 supersedes section 13 of the Act of 1884?

*Mr. Levi*: Yes, sir. It has been construed in that way, and the Natives have not been asked to consent.

*Mr. Wilson*: And that construction has not been contradicted.

*Mr. Levi*: That is the same view as I take of it.

*Mr. Wilson*: It turned a permissive right into a compulsory one.

*Mr. Levi*: Mr. Wilson has put it in a nutshell. That is the way the Public Trustee has interpreted it. Therefore, when my friend says, "What process could be fairer than arbitration for settling the rents impossible to be settled under the Act of 1884," I submit that it is hardly a fair statement, and does not explain the actual effect of section 7, which turned a permissive right of renewal—that is to say, with the permission of the Natives—into a compulsory one. I say it is practically compulsory, and it has turned out so, for every lessee, except where great *laches* had been committed, has got a renewal without the consent of the Natives.

My friend has expressed a doubt as to whether the leases which will be granted in pursuance of these awards, in providing for compensation for improvements, will give compensation for those improvements made before the granting of the new leases. I submit that there is no doubt whatever on the point. The fact that these lessees are entitled to compensation for improvements at all—the fact that they are entitled to thirty years' leases—depends upon the fact that the awards are to be made subject to the existing regulations, and the existing regulations contain a form of memorandum of lease which is to be used, that form providing for compensation.

*Hon. the Chairman*: Will you repeat your argument on that point?

*Mr. Levi*: Mr. Bell stated that it is doubtful whether the compensation for improvements which the lessee will get at the end of his lease given under the awards will include compensation for improvements made before the granting of that lease. I say there is no doubt whatever that it would include those, because the form of lease given in the regulations, which is the only ground for giving a lease of that kind at all—the only ground for giving compensation for improve