

ments—provides as follows: “And it is hereby agreed and declared between and by the 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. . . . shall be valued by arbitration;” and so on.

Hon. the Chairman: Would it not go further than you suggest, and say if there had been improvements made by the Natives on the land—supposing one acre had been cleared and laid down by the Natives before any lease was given at all—that it would include that?

Mr. Levi: Certainly. It does not provide that it shall be the improvements made by the lessee during the term, but all the improvements on the land at the end of the term.

Mr. Stewart: The usual provision is “Improvements made during the term.”

Mr. Levi: Now, we say that the lessees are not in fairness entitled to any renewal at all—that is, of course, unless the Natives concerned consent. My clients say, “We have granted certain leases; these leases were for fifteen or twenty-one years, and they all, or nearly all, contain express provisions that the lessees shall make certain improvements during the term; and they contain no provision whatsoever as to compensation for improvements at the end of the term. Some of them contain express provisions that there shall be no compensation.” Of course that has no legal effect—the fact of there being no provision for compensation for improvements at the end of the term would of itself cause the improvements to revert to the lessors—but it strongly illustrates this fact, that the Natives insisted on the insertion of the provision, and considered it important in granting these leases that the improvements would revert to them. I will refer the Committee to the provisions of some of the leases which have been put in by the lessees. Leases Nos. 13—which Mr. Lysaght holds—51, and 52 all provide that the lands and buildings and other improvements shall be given up at the end of the time “without being entitled to remuneration or compensation for same.” Those are the words used. And then No. 10, Okahu, provides that the lessee shall leave all the buildings, &c., in good repair “without requiring any compensation for the same.” And the lease to Mr. Symes, No. 16, provides that the lessee shall “deliver up all improvements in good repair to the lessors at the end of the time.” Then others provide that certain special improvements shall be made—for instance, that the whole of the land cleared shall be left laid down in grass; that three-fourths of the land cleared shall be laid down in grass; and other similar provisions. The Natives say, “We have granted these leases. They were illegal, and have been confirmed by the Governor in Council under the powers conferred by statute, and at the request of the lessees. Under these leases we would have been entitled to the value of the improvements which existed on the lands at the end of the terms. If legislation has been effected which deprives us of the right to these improvements, which gives renewals at rents determined on the value of the land without considering those improvements, and at the end of the new term to be granted gives compensation for improvements to the tenant, and provides for leasing again for a further term at a rent still computed on the unimproved value, and so on in perpetuum, the improvements are absolutely taken away from us altogether. These improvements which before the Act of 1887 were our absolute property have been taken completely away from us.” They say that that has been the effect of section 7 of the Act of 1887, which I say was passed without Parliament really being conscious of the injustice that was being done. They say, “We have suffered this injury, and we ask for redress.”

I understand, sir, that the reasons urged by the other side that they should get these renewals are: Firstly, that the lands have decreased in value, and that the tenants have not made the lands pay. Well, sir, that might be an argument for decreasing the rents; that might be an argument that allowances be made in the rents—and I say at once that the Natives would not object to the reduction of any of the rents which are excessive; by a competent tribunal for any part of the original terms yet to run, but provided that a similar law was made to apply to European lands, for it would be wrong and would give a very bad impression to the Native mind if legislation in the direction indicated did not apply to European as well as to Native lessors. I submit, then, that the argument as to the excessive nature of the original rents—if they are excessive—can only be one for the reduction of rents, and cannot be any argument for renewal, much less perpetual renewal. Then it has been said that the lessees have been promised renewals by the Natives themselves. Now, we are quite willing that section 13 of the Act of 1884, with such amendments as would make it workable, should remain in force. We are quite willing that the lessees should be perfectly at liberty to make such arrangements with the Natives as they can, and as I have no doubt they will in a great many cases, for renewals at fair rents. Then, lastly—and the petition of the lessees makes a great point of this—it is alleged that the lessees are entitled to renewals on account of Mr. Mackay's promise, or alleged promise, in December, 1884. I submit that Mr. Mackay cannot and could not bind the Natives—and could not, even if he did so, promise anything which would be so detrimental to the Natives. He was, of course, in a position of trust, and I submit, sir, that the beneficiaries, who are certainly the Natives, could no more be affected by any such promise than any beneficiary could be affected by an act of his trustee who was clearly acting outside his powers. Therefore, sir, we claim that no renewal at all should be given. I think, however, it is necessary for me to go into this question: Assuming that, notwithstanding what I have said, the Committee consider that some renewal should be given, on what basis should the rents be determined? We submit that if the Committee should take that view it would be most unfair that the rents should be determined on the unimproved value of the land—that is, on the value of the land less the improvements. Of course, some of these leases have a few years to run—some ten or eleven years—but in the majority of cases they have nearly, or quite, run out. We are quite willing to accept the old rents until the expiry of the old leases, but the fact that any part of the old terms are unexpired benefits solely the lessees for the effect of giving renewals, or in reality substituting new leases at rents calculated upon the unimproved values, has been in nearly every case that the old rents have been reduced by the arbitrators; so that even for the remaining term to run the lessees benefit.