Hon. Captain Kenny: What was the acreage of these two?

Mr. Levi: Over 600 acres. This return that I have prepared shows that the improvements were valued at just over £1,000.

Mr. Bell: Nearly £800.

Mr. Levi: In the return I have prepared, Mr. Livingston's valuation of improvements on these two leases comes to £1,084. Even considering the improvements as belonging to the lessee, there is a sum of £1,000 which represents the value of the lease.

Mr. Stewart: The lease is sold?—Yes.

Hon. the Chairman: You mean to deduce from that that the rents were fixed too low?

Mr. Levi: Yes. I do not mean to say that the capital values were necessarily assessed too low; but if Mr. Livingston's capital valuations at the time were fair, then I state emphatically that a rent fixed at 5 per cent. on the capital valuation for a thirty years' lease on the terms of the awards would create a valuable property. As it was a valuable concession to the lessees, it necessarily took something away from the Natives.

Hon. the Chairman: That is much the same thing as being too low. Will you give us the date of that sale you mention?

Mr. Levi: Mr. Livingston's award was made in March, 1889, and it took place immediately after. There is one matter which I did not refer to yesterday—namely, how far the question of the validity of the regulations of 1883 affect the questions arising in connection with the confirmed leases. I have assumed in the arguments I have already used that these regulations are perfectly valid. Assuming that that is so, I have submitted that we have a fair claim for relief. Now, I can readily see that, as far as the original leases—the Public Trustee's leases—are concerned, if these regulations are invalid, very great hardship may be incurred by those lessees who tendered on the strength of them, though at the same time it may be unjust that the Native should suffer on that account. But, as far as the confirmed leases are concerned, we hold that, as they were taken for fixed terms of years before these regulations were made, and as the lessees have not been induced to do anything on the strength of these regulations, therefore it cannot be said that the lessees would suffer any hardship if they turned out to be invalid. They can have no vested interests, or any legal or equitable rights whatever, so far as these regulations are concerned, whether valid or invalid. In referring to section 13 of the Act of 1884, it has been stated continually by my learned friend (Mr. Bell) that the confirmed lessees were entitled to their improvements under that section—that that Act of 1884 had created vested rights in the improvements, and that the lessees were justified upon the strength of that Act in claiming the improvements as their property, irrespective of any promises held out to them inducing them to make improvements. Now, sir, I have already pointed out to the Committee that the lessees had no rights of renewal under that section unless with the consent of the Natives. The section provides that the lease may be surrendered and a new lease granted "on such terms, subject to the said Act and this Act, and to all regulations made thereunder, as may be agreed upon between the Public Trustee, the Native owners of the land, and the lessees." Now, I would point out that it is very doubtful whether the inclusion in this section of the words "subject to all regulations made thereunder" could validate regulations which must have been originally *ultra vires*; for, could regulations *ultra vires* be said to be made "under" the Act? But even if the regulations are validated I would point this out: All the words from "subject" to "thereunder" come within the clause "on such terms" . . . "as may be agreed upon." Now, that would necessarily mean, not that the new leases were to be subject to the Acts and regulations, but that the "terms" to be "agreed upon" must be subject to the Acts and regulations—that is, they must not be at variance or in excess of them. For instance, a lease could not be granted for a longer period than the Act and the regulations allowed. But it would be absurd to say that, in fixing the terms, the leases should be necessarily twenty-one or thirty years. They are limited by the regulations and Acts, but the parties were not bound to agree upon all the full terms allowed by those Acts and regulations. Of course, if the 13th section of the Act of 1884 is interpreted in the way I have submitted, then, in interpreting section 7 of the Act of 1887, it would follow that the words substituted for the language of section 13 of the Act of 1884 must mean that it was within the province of the arbitrators to determine the length of the term and the other terms, so long as they did not contradict or conflict with the Acts or regulations; that they could grant a lease for any less term than thirty years; that they could grant leases without any provision for renewal, and without compensation for improvements.

Hon. the Chairman: But they could not grant any lease that gave anything in excess of the regulations.

Mr. Levi: That is what I mean. It is next necessary to consider what effect the passing of the Act of 1887 has had on the just claims of the Natives. I have argued as yet that that Act was unjust to the Natives. But what vested rights has it created in the lessees? This is probably the most important question that arises in the whole of this matter. I submit that the true bearings of the facts are these: Under section 7 of the Act of 1887, as amending the Act of 1884, it is clear, I think, that the Public Trustee was not bound to accept surrenders. In cases where the rents had been long in arrear he did refuse to accept surrenders. It is evident then that no vested interests could be created until surrender was accepted. No lessee had any right to assume that he would get a renewal of his lease. When surrenders were put in, I conceive, no vested interest could arise before the award was made, because it is evident that any rights or interests that could arise must depend on the results arrived at and in terms fixed by the arbitrators. How was it possible to have a vested interest in a lease the terms of which had not been fixed? The awards might have favoured either party. Then, in all cases, with the exception of those four in which the leases have been issued, protests were lodged immediately after the awards were issued. The regulations under which the awards were made provided that no leases could issue within one month, so as to give time for