

protests to be lodged. Besides, the Natives had actively protested at the arbitration sittings, and the lessees were made aware all through, that the matter was disputed, and that attempts were to be made to get the Act of 1887 repealed.

*Mr. Wilson*: You are wrong in your statement that protests were lodged with the Public Trustee immediately after the awards were made. They were not lodged until nearly the end of the time.

*Mr. Levi*: A month was given in which protests might be lodged, and no vested interests could arise within that time, or after the protests were lodged. The attitude of the Natives all through must be taken into consideration. The lessees had notice from the beginning that the whole proceedings would be questioned; so that if they made improvements on the strength of the Act of 1887, or the awards, they were doing so at their own risk. Then, again, not one word of evidence has been given or adduced by the lessees as to any improvements made after this Act of 1887, or the awards; but evidence has been given upon that point by my witnesses, and this evidence shows clearly that the improvements actually made were of a paltry description—in fact, merely nominal, and necessary, in any case, for the working of the land.

I come next to the actual work of the arbitrators, which in a certain sense we assail.

*Hon. the Chairman*: Did you not say just now, Mr. Levi, that it was not incumbent on the Public Trustee to accept surrenders under the Act of 1887?

*Mr. Levi*: I think so.

*Hon. the Chairman*: Were not surrenders claimed under the Act of 1884?

*Mr. Levi*: I mean, of course, under the Acts of 1884 and 1887. Section 7 of the Act of 1887 says, "On the surrender of a lease under section 13 of the Act of 1884 a new lease may be granted to the former lessee," and so on. Section 13 of the Act of 1884 says, "The Public Trustee may accept from the lessee surrender," and so on. So that it is under the Act of 1884, as amended by the Act of 1887, that these surrenders are accepted; and I say that it is optional for the Public Trustee to accept or not. My learned friend has stated that we have no right to ask the proceedings of a tribunal set up by Parliament to be set aside, so long as these proceedings were conducted fairly, and the methods adopted justified. Now, I am prepared to accept that statement. What we ask is that the actual findings shall be set aside only so far as the proceedings of the arbitration were not conducted fairly, and especially so far as the methods adopted by them of arriving at those findings were not just.

*Hon. the Chairman*: You say "findings."

*Mr. Levi*: Of course I mean the awards. I do not dispute that Mr. Livingston is an honourable man, but we think that he is a man who has, like many other honourable men have in matters that come before them, a certain amount of bias. I think that can be shown from the actual awards made by the arbitrators. In the first place we find that the method he adopted for determining the rents was one which is not in any way referred to in any of the Acts or regulations. We find that he took the total value of the land as improved at the then present time, a time when, it is admitted, that values were very depressed; that he next valued the improvements which then remained on the land; that he has taken the value of the land, less improvements, and assessed the rent in every case at 5 per cent. on that value. The only reason given by any of the arbitrators for this process is that they consider it fair, because that is the way in which the Government revalue their lands which are let on perpetual lease. I submit, sir, that there is very great difference between the basis which should be taken for a fair rent as between landlord and tenant and the basis on which the State finds it politic to dispose of its waste lands on perpetual lease. The policy of the colony as to its land administration has been adopted, and properly so, with the object of encouraging settlement—that is the main object. The question of revenue from Crown lands is quite a secondary and subsidiary matter. But the whole policy of these West Coast Settlement Acts is to give the Natives a fair but full rental for their land, such as would be given between European and European. These lands in question cannot be considered State lands in any sense similar to the Crown lands of the colony. I submit that the arbitrators quite mistook the functions they had to perform in taking that basis for the rental. They did not consider at all the fact that they were granting a lease for thirty years; they did not consider that under the leases, of which they were fixing the terms, compensation for all improvements was to be given to the lessee at the end of the term. Then, again, they deducted all improvements, of whatsoever kind, notwithstanding that the Act provided only for the deduction of improvements within the meaning of the regulations. There is yet another matter they should have considered: Some of these original leases had long terms to run, in some of them high rents, in others very low rents, had been originally fixed; some of them had short terms to run; and some of them had actually expired. These were circumstances which, in fixing a basis for their awards, should have been taken into consideration in each case; but in every instance we find it is the same—5 per cent. on the capital value. Then, sir, there is another matter in which I submit that Mr. Livingston quite mistook his proper functions. He was put there as an arbitrator for the Natives. He tells us that he considered the lessees should have been mulcted in the whole of the costs of the proceedings. I may remark, in passing, that he gives as his reason for that opinion that he considered the renewals were wholly for the benefit of the lessees; and surely that statement in itself would show that the leases were unfavourable to the Natives, for what was wholly for the benefit of the lessee must be some detriment to the Natives. But I do not dwell on that. What I am arguing now is this: Mr. Livingston said that it was his opinion that the lessees should pay the whole of the costs, and the opinion of the other arbitrators with whom he sat that the costs should be equally divided, and after a long discussion they agreed to a compromise—namely, that the Natives should pay one-fourth. I consider that Mr. Livingston's position was such that if he held such a strong opinion that the whole of the costs should be paid by the lessees he should not have given way or compromised, but have left that point to be decided in each case by the umpire.

*Mr. Stewart*: *Prima facie*, I think the costs should be divided equally. The circumstance that it was not divided equally appears to me to be rather against the arbitrators—both of them.