

208. *Mr. Duncan.* What is the area of these properties that you administer?—In the West Coast Settlement Reserves that we are now considering there are about 190,000 acres.

209. What state was the property in when it came under your administration? Was any of it let then?—Yes. I only came in just after the decision in the Court of Appeal had been given by which certain of the lessees lost a claim to improvements. The Court of Appeal decided, as I quoted from Judge Connolly's judgment, that the estate was practically a private estate, that the leases given by the Natives to the former lessees contained no conditions for improvements, and that the arbitrations of 1887 were arbitrations arranged without the exercise of discretion by the Trustee. These lessees were then in danger that they would, as their leases run out, be driven off the property.

210. How long has it been in your occupation?—Since the Act of 1892 was passed. That Act gave me authority to lease it on the ground rent, giving the lessee a right to his improvements.

211. What kind of land is the residue of 100,000 acres that is left?—It is of a poorer quality. It is inaccessible by roads. It is covered with heavy bush, and some 3,000 or 4,000 acres of it comprise mountainous ranges.

212. *Mr. Elwin.* Do you consider that all the improvements that have been put on this land by the settlers in the way of subdivision, roads, fences, &c., which have increased the letting-value of the land, belong to the Natives, for in valuing the land you appear to consider that its present state is its original state, and that you are justified in valuing it accordingly?—I am hardly called upon to answer a question of what I consider right. Right as far as I am concerned is to do nothing but what the law will allow me to do in the interests of the Natives. All these improvements will increase the value of the tenants' leaseholds, as they would have obtained them at a low rental in the absence of the improvements.

213. Will it not increase the letting-value of this 100,000 acres?—Nearly every acre of that I can let. The Natives have agreed to take nearly the whole on lease of the portion to be tenanted by themselves, and have agreed to be subject as such lessees to the fencing laws and all rates and taxes. I would not kill the goose with the golden egg. The Act of 1893 authorises me to grant leases to the Natives without competition. Of course, these Natives who take up this land are the owners of it, and they will pay no rent for their own shares. It would only be a formality for me to receive the rent and then to pay it back to the Native owner.

214. Are you aware of an estate of 700 acres similar to mine, with improvements exceeding £3 10s. per acre, which is now lying unoccupied and unsaleable? It is three miles from my property and is on the main road. This is a bankrupt estate, and the land is similar to mine. The city man would put 5 per cent. on £4 per acre.—It is lying idle for want of some one to take it. This land was mortgaged at £4 per acre, and the mortgagee has foreclosed.

THURSDAY, 29TH AUGUST, 1895.

Mr. J. K. Warburton further examined.

*Mr. Warburton:* I want to explain that when speaking of a possible danger in the proposal to give the local bodies power to tax Native lands, I was speaking in the abstract on the consideration that there might be taxation without representation.

215. *The Chairman.* Of course, we understand that every person who pays rates is a voter, and the moment the Natives paid rates they would be ratepayers, and have the same representation as the European settler?—But the fact that we have to protect that property by the trust would lead us to think that they would not be good representatives of their own interests.

216. You must also bear in mind that, whatever rate is struck in the district, the Europeans would have to pay the same rate as the Native. The rate would be a uniform rate for all classes?—That is so; but the valuation for the purpose of the taxation would be separate for each property. Now, with regard to the case of valuation in which it was supposed there might be collusion—

217. You admit that I had good grounds for what I said?—Yes; the two estimates were so close. It so happens that before I instructed Mr. Shaw I had instructed another valuer, Mr. A. H. Moore, of Opunake, to value this property of Elwin's, and Mr. Moore wrote to me as follows: [Appendix F]. This all happened after the petition was drawn up, and, I think, shows that there was no collusion. I appointed another man.

218. That hardly takes away the suspicion of the collusion, because this Mr. Shaw happens to be another of your valuation officers who was, I have no doubt, aware of Mr. Jones's valuation?—No, he was not. I understood that the suspicion amounted to this: that I might have written to Shaw and arranged the valuation. No.

219. *Mr. Duncan.* The impression was that Shaw had seen Jones before he valued?—Shaw knew nothing about that valuation by Jones. This seems to make it conclusive that there was no collusion of the kind. I will now take the case of Mr. Hobbs, who was offered a lease for a total yearly payment of £146 2s. 5d., or a ground rental of £115 12s. and 6 per cent. on the improvements. The valuation was made by Mr. Jones. The lessee refused to take the lease, and I put the lease up to tender about ten days ago, and it brought £179 5s. 6d., or £33 3s. 1d. more than the rental based on the valuation by Mr. Jones. In another case where Jones put a value on a property, the lease has been sold by public auction, and, allowing 12 per cent. for depreciation, it comes to less than a difference of £1. In the case of Mr. G. F. W. Wilson, they were paying £339 15s. when their lease expired.

220. What was the acreage of the estate?—Between 500 and 600 acres. I am speaking from memory. The land is near Hawera. Mr. Jones valued it, and estimated the value to be such that