

1895.
NEW ZEALAND.

WASTE LANDS COMMITTEE.

(REPORT ON THE PETITION OF J. J. ELWIN AND 272 OTHERS RELATIVE TO THE WEST COAST SETTLEMENT RESERVES, TOGETHER WITH EVIDENCE TAKEN THEREON, AND APPENDICES.)

Report brought up 2nd October, 1895, and ordered to be printed, together with Evidence and Appendices.

REPORT.

PETITIONERS, who are leaseholders of Native estates covered by "The West Coast Native Reserves Act, 1892," and administered by the Public Trustee, state that the said administration has been and is unsatisfactory both to the tenants and Native owners, and has failed to fulfil the intention of the Legislature to assist settlement, legalise improper tenures, and improve the condition of the Natives. They consider the Land Board to be the proper body to administer the said estates, and pray for legislation so that these lands shall come under the common law of the colony that the disadvantages may be removed under which they labour.

I have the honour to report that it is the opinion of the Waste Lands Committee the subject-matter of this petition refers to a question of public policy, and therefore recommends that it be referred to the Government for consideration.

2nd October, 1895.

R. THOMPSON, Chairman.

To the Honourable the Speaker and Members of the Legislative Council and House of Representatives of New Zealand in Parliament assembled.

THE humble petition of the undersigned humbly sheweth,—

1. That your petitioners live and are leaseholders in the district covered by "The West Coast Settlement Reserves Act, 1892."

2. That the administration of the said Act has been satisfactory to neither the tenant nor the Native owner.

3. That all charges under the said Act are exorbitant, and are levied to the detriment of any action under the Act, and that, by demanding the insurance of all buildings in the name of the Public Trustee, the security is removed from financial action on the part of the tenant.

4. That the Act, as administered, has not fulfilled the intention of the Legislature to assist the struggling settler to legalise improper tenures, neither has it improved the condition of the Natives.

5. That great hardships and unnecessary expenses have been imposed on tenants and Natives by the present interpretation of the Act.

6. That, under cover of the term "in the interest of the beneficiaries under the trust," the Public Trustee bars settlement, refuses to improve the Native estate, and imposes rents on lands which are totally inadequate to maintain such amounts

7. That your petitioners are aware that by securing for the Native owner the improvements over £5 per acre, the industrious settler is debarred from improving his holding, settlement is obstructed, and the Liberal programme is set aside.

8. That your petitioners are satisfied that a complication of tenures is unnecessary, and consider the Land Board is the only proper body to administer this estate under "The Land Act, 1892."

9. That your petitioners consider that by working "The Advances to Settlers Act, 1894," in conjunction with "The West Coast Settlement Reserves Act, 1892," the Government can acquire the whole of the Native title to these lands, and can, without expense or cost, bring them under the land-laws of the colony.

10. That these lands being acquired, the amounts paid can be funded in the name of the Native owner, who will then have a legitimate income or cash to work his reserves, and the expensive paraphernalia of the Trust Office will be obviated for his benefit.

Your petitioners, therefore, humbly pray your Honourable House to cause such legislation as shall place these lands under the common laws of the colony, and will thereby remove the disadvantages under which they labour.

And your petitioners will ever pray, &c.

JAMES J. ELWIN
(and 272 others).

WASTE LANDS COMMITTEE.

PETITION OF JAMES J. ELWIN AND OTHERS.

MINUTES OF EVIDENCE.

FRIDAY, 23RD AUGUST, 1895.

Mr. FELIX MCGUIRE, M.H.R., Examined.

1. *The Chairman.*] You are the member for Egmont?—Yes.

2. You wish to give evidence?—Yes. Since the passing of the amendment to the West Coast Settlement Reserves Act very great dissatisfaction has existed. There has been, in my opinion, great hardship put upon the following gentlemen—viz., Messrs. McCullum, Rothery, Carrol, Seedom, Luxton, and Leathem. These gentlemen leased lands from the Native owners. The leases I refer to were not confirmed by Act of 1892, but the Act gave power to the Public Trustee to deal with these lands in a way, had the Public Trustee so desired, which would have given satisfaction both to the Europeans and to the Native owners. The Public Trustee's action was both unjust and arbitrary, and a great injury, both to the Natives and to the Europeans, has been the result of his administration. In consequence of his action settlement has been retarded, and a bar to enterprise, and individual hardship and loss which should have been avoided had the Act been administered in the interest of all concerned. These parties were very anxious to get their leases under the Act; but the Public Trustee would do nothing with them unless all the improvements that they had put on the land were paid for, and then, if he felt so disposed, he might give them a yearly tenancy. These improvements were the improvements of the tenant, and were absolutely their property. The Natives were astonished at the extraordinary action of the Public Trustee. No doubt others of them were delighted when they found that the Public Trustee was making them a present of the lessees' improvements for nothing. The lessees took the land from the Natives in its prairie state, and put the improvements upon it. One gentleman—viz., Mr. McCullum—driven to desperation, took the law into his own hands. The Public Trustee took action in the Supreme Court against him. The Judge admitted that the Trustee was technically right, but said that such things did not happen in any country unless it was in Russia, and he also said that the action of the Trustee was most arbitrary. These lands are not now bringing in the rents that they were bringing in when the Public Trustee unnecessarily removed these people. He had it in his power, under this Act, to make all these leases good in equity and justice to all parties concerned. But this he refused to do. He was determined to act in another way. Had the Act been administered, in my opinion, in the way in which it was intended, I do not think that the dissatisfaction that has arisen would have arisen. Great dissatisfaction has been caused all over the district, both to Europeans and to Natives. The Natives say, "We don't want to rob the Europeans of their improvements, but, if the Public Trustee will take their improvements from them, we have no objection." Then, again, there are other leaseholders who are under the West Coast Settlement Act, and who have made application to come under the amended Act of 1892. The parties I refer to have risen early and worked late, and they have made improvements of from £7 to £10 an acre on their land. They have made, as I have said, application to come under the Act, and the Public Trustee demands from them the amount of improvements they may have made over £5 per acre. £5 was the amount allowed under the old Act. When the amended Act was first introduced there was nothing said about the amount of improvements—that was an afterthought, and Mr. Ballance told me that he would see that this was amended; but unfortunately Mr. Ballance died, and there is no other member in the Ministry who understands the position of affairs as he did. Had they understood it they would not, I believe, have tolerated for a moment what is going on. Messrs. Smith, Ellerm, Betts (and others whose letters I have read, and which I now hand in in order that they may be printed), when they have improved their land to over £5 per acre, for this they are to be punished. On their making application to come under the amended Act of 1892, the Public Trustee demanded any sum over and above £5, and in some cases he issued a writ from the Supreme Court in order to compel the tenant to pay twice for their improvements, with the result that some of the tenants were compelled to give mortgages on the improvements that they made themselves. I do not think there is any parallel case to this in any other colony in the British Dominion, nor do I believe such an outrageous injustice would be permitted in any country in the world. I have letters here that I could read, but I will hand them in, and they will speak for themselves. We have passed an Act of this House that Natives having property within five miles of any public road should pay rates, but it is almost impossible to get rates out of the Public Trustee. He has refused to pay rates on several occasions, and, of course, the local bodies and the ratepayers are the sufferers in consequence. Roads cannot be made without money, and the Public Trustee ought to set a good example in this matter. He has a large estate, and it has certain responsibilities, and he should take them up and contribute his fair portion for roads, and also for divisional fencing; but he has done as little in this direction as

possible. He might have paid rates on some occasions, but generally he has refused. I have a number of letters from local bodies complaining bitterly of the position taken up in this matter by the Public Trustee. Now, with regard to valuation, the gentleman who was appointed knew absolutely nothing about the value of land at all. His whole life-time has been spent in town. He doubtless knows the value of buildings as well as any man, but he knows absolutely nothing about land, and the consequence is that he put values on the land regardless of position or quality.

3. *Mr. Meredith.*] You mean on the improvements?—Yes. He valued the prairie value too high, and also the improvements. He was evidently unable to understand the value of the land prior to the improvements being put upon it. In some places the land had been covered with furze, which had been eradicated by the tenant. He does not understand the value of that, nor does he understand the value of some of the land off which stones had been taken at great expense. He was altogether unsuitable to make these valuations. The charges, legal and other, made by the Public Trustee are too high, and are apparently made in the interest of solicitors, &c. The cost of valuation and other charges in the case of Mr. Allan Bell comes to £16 15s. 3d. on an area of 160 acres previous to receiving a new lease. From these you can understand what the expenses have been. And others have had to pay large sums, although the valuer was able to walk from one place to another and do his work in a few hours, making £10 in that short time. I think that these charges are extravagant, and made without any consideration for the unfortunate and struggling farmer. There are many cases which are very hard indeed, and I am certain, from conversations that I had with Mr. Ballance, that if he had lived he would not have tolerated it for a moment. There is not a settler interested in the matter who does not deplore his loss. I might say, just before I finish, that, as regards the Natives, it might be well to strike out this clause in the petition with reference to the Government obtaining power to purchase these lands. If the Committee does not see their way with reference to that, of course we will have to submit; but, with reference to getting the management of the land under the Land Board, the Public Trustee must know that a man like himself, who has spent his life in an office, cannot know anything of the values of land, and in the interests of the Natives themselves he ought to be pleased to have the land brought under the control of the Land Board; and I think if that is done that is all that would be required. The rents for the lessors would be paid over to the Public Trustee, so that he could pay it over to the Natives. But the land would be under the management of gentlemen who understand the value of land, and what could be made out of it. The settlers are oppressed and settlement retarded because of the want of knowledge and want of will on the part of the Public Trustee.

4. *Mr. Warburton.*] You said that the improvements belonged to the lessees; by their contracts the lessees obtained leases for thirty years on condition that they should pay to the Natives the value of all improvements over £5 an acre?—Yes.

Mr. McGuire: There is one other point that I would like to mention, and that is about insurance. Now, to show you that the Public Trustee is not acquainted with these matters, a farmer of, say, 500 or 600 acres, he does not look upon the grassing and fencing as sufficient security for the rent which has to be paid in advance, but calls upon the lessees to insure in his name their buildings, thus taking all the security away from them. I admit that the Trustee would be quite justified in such a course were the land only held in one-eighth-acre sections, but on big farms it is absurd.

5. *Mr. Duncan.*] With regard to this question of valuation, do I understand that under the original lease the holders were only entitled to five pounds' worth of improvements, no matter what the value of the improvements they may have put on amount to?—Under the old lease they were only entitled to £5; under the new Bill no amount was mentioned whatever.

6. Was the new Bill passed?—Yes. Mr. Ballance assured me that it was not the policy of the Government to prevent people from improving their holdings. It was to the advantage of the country for the people to make improvements.

7. *Mr. Reeves.*] With reference to the refusal of the Public Trustee to pay rates, is the property virtually private property—Native lands held by the Trustee—or are they Native lands in the ordinary sense: which are they to be regarded as? My own opinion is that they are lands granted to the Natives, and they have a perfect right to them, but have no power to deal with them; but it seems there is something wanted to place that power in their hands. Do you not think that a great deal hangs upon that point, as to whether these lands are Native or private lands?—Of course.

8. *Mr. Hall.*] Do you not think that it is a very proper thing that the Public Trustee to require that these buildings should be insured?—It may be proper if it were in the towns where there are no other improvements, but where the Trustee is satisfied that there are £700 of improvements without buildings at all, and where the rent does not amount to more than £50, and where the rent has to be paid in advance, I do not see why he should compel these parties to insure, and thereby denude themselves of every scrap of securities upon which they might get an advance. The Public Trustee looks upon it as if it were a section here in the middle of Wellington, where insurance is a great thing; but here men need not build at all. He need not make these improvements at all; but, when he does build, then the Public Trustee wants to compel him to insure. I believe none of them will insure, and I do not think that the Public Trustee has got many of them to insure as yet.

9. *Mr. Green.*] Do I understand you to say that it is a great grievance that there is only five pounds' worth of improvements allowed; it is under the Act of 1892?—Yes, I consider it a great blot on the Act. Men should be encouraged to improve their holdings.

10. Who issued these leases?—The Public Trustee.

11. The leases contained that provision?—Yes.

12. Of course it was a contract?—Yes.

13. These leases have expired?—No; that is where the grievance comes in. These parties have taken advantage of the last Amendment Act many years before their existing thirty-year leases expire. They say that if the question of improvements was left over until their original leases expire they would not have to pay at all, and they consider it hard that through coming under the new Act they should have to pay a penalty.

14. Do you think that new legislation should take place, and so put those who took up land under the old leases on the same footing as those who took up under the new?—Yes, I think that would be a proper thing to do. There was great dissatisfaction under the old Act, and the House reduced the rents because it was impossible to pay them; and then they brought in the new Act, but did not repeal the old one, only giving twelve months for any tenant under the old Act to come under the new.

15. Have many come under?—Most of them cannot come in, they are barred. The rents put on are so excessive that they would rather remain under the old than come in under the new. They have small areas, and when they grass and fence in the land they find themselves with £8 or £9 per acre worth of improvements on the land, and by coming under the new lease the Public Trustee sweeps away half of the money expended by them on improvements.

16. These people consider that they are placed in a worse position by coming under the new lease than they are in under the old?—Yes. They cannot come under the new. A man with 30 acres of land who has made certain improvements cannot afford to pay the Public Trustee £200 or £300. It would be practically purchasing the freehold of the land, and the consequence would be that these unfortunate people who have been only making a bare living would be robbed out of that.

17. You take exception to the valuer who has been appointed?—Yes.

18. Did he value improvements under the old for the issue of new leases?—Yes, and the prairie value of the land.

19. Are there many objections on the part of the leaseholders under the present Act?—Yes; they have got their grievance about the insurance, but I do not think there are many who have insured.

20. Do I rightly understand you to say that they are not all insured?—No; they are not compelled to build, but as soon as they build, and the more improvement they put on the land, the Public Trustee wants everything. Sometimes a man, in order to make his family comfortable, builds, and spends more money probably than he can afford, then, if the Public Trustee takes away his policy of insurance, he is deprived of his only security to get anything on his improvements. So that any man who improves is looked upon as an enemy, according to the working of the Act, and treated as if he had done something wrong. It is doing an injury to this colony, and is not at all in sympathetic accord with what the Government is doing in their endeavour to open up the Crown lands of the colony.

21. In your opinion the Public Trustee manages this estate in the interests of the Natives, and not of the tenants?—In my opinion he is acting in the interests of the Natives, and the Natives alone; but I admit at the same time that his administration is not in the true interests of the Natives.

22. And contrary to the interests of the tenants?—Yes; and that is why we want an amendment to the Act. I do not want for one moment to say that the Public Trustee is acting outside of the law, but what I say is, he could have done things under the Act which would have been beneficial to both Natives and Europeans; his administration is deficient from want of knowledge. He is also unable to see both sides of the important question.

23. *Mr. Meredith.*] It appears to me that the burden of your remarks are in the direction of accusing the Public Trustee or the Public Trust Office of maladministration of these lands?—Yes, from want of knowledge, his administration has been a miserable failure. It is impossible for the Public Trust to know anything about land, or the difficulties that settlers have to contend with.

24. You admit that the Public Trust Office is administering these lands under the West Coast Settlements Act of Parliament?—Yes, after a fashion, which is detrimental to all parties interested.

25. I suppose you also admit that the Trustee has also got certain discretionary powers under that Act?—Yes.

26. And your opinion is that these powers are used in the interests of the Natives?—Yes. I believe the Trustee is under that impression; but my impression is that he is doing damage to the Europeans and to the Natives.

27. Will you admit he is working under the Act of Parliament?—Yes, that is what he pretends to be doing; but in my opinion he is doing a large amount of mischief.

28. By tenants on these lands availing themselves of the Act of 1892 improvements are valued, and anything over £5 per acre goes to the benefit of the Natives?—Yes, that is so; and that is why we ask the Act to be amended in order that no confiscation will take place.

29. So that practically all improvements over the value of £5 an acre are confiscated?—Yes, that is so, I exceedingly regret to say.

30. Now, you say that tenants have given a mortgage to the Trustee for improvements over and above £5 where they were not in a position to pay cash?—Yes; in order to save themselves the expense of a Supreme Court suit.

31. But this money is allowed to remain if the tenants choose to pay 6 per cent. on the capital value?—Yes; I understand that he charges 6 per cent. to the tenants on their own improvements.

32. Then the burden of your evidence is that, in your opinion, it would be to the advantage of the tenants and the Natives to have the administration of this estate transferred to the Lands Department?—Yes; I feel confident from my knowledge of thirty-two years' colonial experience that would be a great advantage to both parties concerned, and to the Public Trustee himself. He should only be permitted to receive the rents from the Land Board, and he could pay it over to the Natives as of old; but he should have nothing to do with the land, because that is beyond him.

33. I do not understand you when you refer to the Public Trustee refusing to pay rates; do you mean local rates or the land-tax?—I mean local rates on the land held by him.

34. Has the Trustee been in the habit on any occasion of paying local rates?—I understand that he has paid them in some instances.

35. Are the tenants called upon by local bodies to pay rates?—Yes, they pay rates; but the Trustee refuses to pay rates for land which he holds in trust.

36. Whilst the Trustee does not pay rates on private lands, tenants are called upon to pay extra rates to keep the roads and bridges in repair?—Yes, that is the unfortunate position.

37. *The Chairman.*] You stated as one of your complaints that an incompetent valuer was appointed to value improvements on the lands, and also the unimproved value; what reason have you for stating that he was not competent?—He was a man with no knowledge of the district. I think that even a man who thoroughly understands land in Wellington here would find a difficulty in fixing the value of land in Dunedin. I have had a good deal of experience in land, and I could not tell you within a pound of the value of land near Wellington, but I could tell you within a few shillings of the value of the land in my own district.

38. Where did this valuer live?—In Wanganui. I have nothing whatever to say against the man except that he had no knowledge of the land. The gentleman in question made the valuation of the land, and the Trustee fixed the value which the settlers had to pay.

39. This man lived in Wanganui?—Yes.

40. Had the settlers no right of appeal against this valuation?—No. The Trustee would not listen to an appeal. The Trustee takes up the position that when he fixes the rent it cannot be altered.

41. You mean to tell the Committee that the settlers had to accept the valuations placed on these lands without any right of appeal?—Yes; the valuation was sent down and the Trustee fixed it, and after it was fixed meetings were called of Europeans and Natives to fix the value, but the meeting was a mere farce, as the Trustee had already fixed the rent, and would not move.

42. Do you mean that the settlers had no right of appeal—no opportunity of appeal against these valuations?—There was a meeting called at the settlers' expense, but the amount of the valuation was fixed prior to that meeting being held.

43. Did the Public Trustee give them the right to appeal or to lodge an appeal against this man's valuations?—There was no right of appeal given them by the Trustee; this is one of the reasons why we are asking for an amendment to the Act.

44. You have stated in answer to Mr. Meredith that all the improvements over £5 per acre were confiscated?—Yes.

45. I understand from your evidence that that was in accordance with the lease?—You must understand that the leases had not expired when they came under the amended Act of 1892; they had in some instances twenty-one years to run. At the end of the proper term their improvements would not, in most cases, have exceeded £5 per acre. They had just made their improvements; but in twenty-one years' time they would have depreciated in value very considerably, and some of them might have disappeared altogether.

46. So far as the administration of the Public Trustee is concerned, has he administered these lands in accordance with the present law?—No. He has strained the law in many ways in my opinion; he has got discretionary power, which he has not used to the advantage of either of the parties concerned.

47. In reference to this refusal of the Trustee to pay rates to local bodies, have any of the local bodies sued the Trustee?—I have not heard of any of the local bodies going to law with the Trustee.

48. One test case would have shown whether the law could have compelled the Trustee to pay or not?—I am not aware that there has been any test case; but, of course, I have been away for some time.

49. As far as you know, no local bodies have taken any action?—I am not aware of any local body having taken action.

50. *Hon. Mr. Reeves.*] When you use the term "new Act," do I understand you to refer always to the Act of 1892?—Yes, the amended Act.

51. Is that Act of 1892 responsible for the confiscation of improvements?—Yes; but the Act of 1883 allowed only £5 per acre.

52. *Mr. Green.*] What is the date of that Act?—The original Act is 1883; but that Act was amended in 1892. I may state, for the information of the Committee, that many of these people had thirty-year leases, which were taken up in 1888 and 1889 under the original Act. The term has not nearly expired, and the improvements are in many cases only newly made; but at the end of the term these would no doubt have depreciated from the effect of time, and in no case would they exceed £5 per acre.

53. With regard to the question of paying rates by the Public Trustee, what is the remedy; do you think that legislation is required?—I think we have all the legislation necessary; if not, it should be passed forthwith.

54. Then, what is the remedy? You say the Public Trustee has not broken the law, and also that the local bodies object to bring a test case?—I have said that the Trustee has strained if not broken it, and I stated that I was not aware of the local bodies having brought a test case.

55. What is the remedy?—We want the land in question administered by the Land Board.

56. You say he is not breaking the law; how can you compel a man to pay if he is not breaking the law?—It is not private land.

57. You say it is not considered advisable to have litigation?—I said I did not like to see the ratepayers' money spent on legal proceedings in fighting the Public Trustee. The local bodies are fighting at a disadvantage. He has the trust funds to fight with.

58. What I am driving at is what is the remedy that is wanted?—Legislation in the right direction, and also the will of the Trustee is wanted in the same direction.

59. *Mr. Duncan.*] Are you a leaseholder under the Native Land Act?—No. My wife bought a lease some years ago, but I am not a leaseholder.

Correspondence put in by Mr. McGuire.

Being leaseholder of Section 129, Block VII., Waimate, I applied for a new lease, and forwarded £7 10s. to cover expenses. My improvements were valued at £146 8s. over the £5 per acre allowed, which is an excessive valuation. I was under the impression that, as the twenty-one years, the time for which the original lease was granted, had not expired, and the Public Trustee knowing that I could not have derived benefit in such a short time from the improvements, he would have granted me a new lease, as agreed on by the Natives, for 8s. per acre; but I have been informed by the Public Trustee that he cannot grant me a new lease unless I comply with his demand, which is that I pay £146 8s. If this must be enforced according to the Act, small leaseholders are debarred from taking up a new lease. To place leaseholders of small holdings on anything like equal terms with those of large holdings, special concessions should be granted them. Mine is a special case, in which I had to grow shelter to carry on my business, and ought not to be valued as improvements.

RICHARD SMITH

(In the presence of T. E. Crowhurst, J.P.)

Manaia, 15th August, 1895.

I hold, under lease from the Public Trustee, section 111, Block VII., Waimate, at a yearly rental of 10s. per acre. When applying for this lease I was requested to forward £7 10s., which I did. My improvements were valued at £183, being £68 more than the law allows for improvements, as my holding is only 23 acres. I got a lawyer's letter to say if I did not pay up the £68 at once it would be taken to Court. I was therefore driven to pay the £68, £2 2s. for said letter, and an additional £2 11s. for my lease, which left me without a penny to carry on with. I may state the valuation put on my improvements was excessive, as the fences are all rotten, and my house merely a shell. I might also state that the sections adjoining mine were thrown open for lease at the time I took mine up, but were afterwards handed back to the Natives, thereby necessitating me erecting all the fencing. I am a working-man, with a family to rear, and my case is a very hard one indeed.

I declare the contents of this to be true, so help me God.

Witness—George McLean, J.P.

H. W. ELLERMS.

DEAR SIR,—

Manaia, 30th July.

I, Henry Betts, having a special grievance against the Public Trustee, was advised by Mr. G. McLean to send it to you in writing. I have a small section of 61 acres, and work it as a nursery. I applied for a new lease. Mr. Morton Jones, of Wanganui, and a Native were sent to value. They must have valued my nursery stock, as they made my improvements come to £440, being £136 over the £5 per acre allowed in the old lease. A few months before I was valued by two local men, and my improvements were put at £300, and there was nothing done between the two valuations. I wrote to the Public Trustee, telling him Mr. Jones had no experience at valuing land, and the Native was interested in the land, and they must have made a mistake, as I knew my improvements were under the £5 per acre; that, if he would appoint a member of the Land Board, or some competent man, to value my improvements, I would abide by his decision. His answer was: "No matter how I arrived at the value of your improvements, such shall be final, and, unless the sum of £136 be paid within fourteen days, or a mortgage executed for the amount, legal proceedings will be taken." I took no notice of this letter, as I had petitioned Parliament last year, and Mr. Ward had promised that the thing should be hung up till this session, when they would legislate in the matter. But the first week Mr. Ward left the colony I was served with a writ for the amount in the Supreme Court in Wellington. I thought I would get justice from a Judge of the Supreme Court if I could take witnesses to prove I had not the amount of improvements charged by the Public Trustee. I was advised to consult Mr. Skerrett, of Wellington, on the subject. To my surprise, his reply was that I had better execute the mortgage, as it would be only wasting money to let it go to Court; that the Trustee could charge any sum he liked, and there was no appeal against it as the law stands now. So I have been compelled to execute a mortgage for £136, with interest at 6 per cent. if paid promptly—that is, within fourteen days—after that 8 per cent., and I am prepared to prove any day that I have nothing for it, if they would let me. It has cost me already over £50, and, if something is not done in my case, the Trustee will worry me out of the home that I have spent ten years to make. I have paid over £11 for my lease more than two years since. I have applied several times for it, but have never received it. I might mention the reason the Trustee has jumped on me is that last year I took round a petition praying the Government to take the management from the Public Trustee and place it under the Land Board.

Faithfully yours,

Mr. Elwin.

H. BETTS.

DEAR SIR,—

New Plymouth, 10th July, 1895.

Pardon a stranger writing to you; but having just read the second part of your very able letter in the *Budget* of the 6th July, makes me feel I ought and must tell you how thankful my wife and myself are for your sympathy and ability shown, and the trouble taken in coming forward as you have done in the Press, to show up the bad side of the West Coast Settlement Reserves Act, and the tyrannous administration by the Public Trustee. Several on the Waihi Block are smarting under his lash, myself included. I take the liberty of enclosing copies of petition and letter to the Premier *re* our case, which I feel sure you will like to read, and know that others are moving in the same direction that you are. I am advised not to make public my case yet, as it is *sub judice*, and I do believe the Public Trustee to be vindictive and inhuman, and, with other folks' money at command, can make himself a terror. What with two trips to Wellington, law, interest, and other expenses has run me into debt, and I have not the funds to proceed further. We are now waiting the Premier's reply to my May letter, enclosed. But with any common cause between yourself or any other lessee and the Public Trustee I am good for a pound. No doubt we have lost a treasure in Mr. Ballance. I have thought that the Waste Lands Board would be the proper parties to administer the

Native lands (and all other lands for that matter) under one Act. United action is wanted on the part of the lessees. I look on Mr. McGuire as a good man to take charge of petition or amendment to the Act. When in Wellington I was told by M.H.R.s', that thirds of rent should go to the roads, and that only Taranaki would put up with such a state of things. But it is presumption on my part, to suggest to you, who has the Act at your finger-ends. I am impatient to read the remains of your letter. Believe me to be yours ever grateful.

ALFRED WRAY.

J. J. ELWIN, examined.

60. *The Chairman.*] You are a leaseholder under the West Coast Settlement Act?—Yes.

61. Will you tell the Committee what are the grievances about which the leaseholders complain?—In the first place, I should like to make it plain under what conditions the settlers first took up these leases, for the Committee do not appear to understand that. I would also like to show the original intention of the Government in issuing these leases. When the Native disturbance was taking place the Government considered it would be desirable to have in the disturbed districts settlers to take the place of the Constabulary. With this object in view, large sections were offered for lease in various parts, the idea being that a Native section and a European section would inter-lap; and these leases were taken up towards the year 1884 by a large number of settlers, and they took them up in good faith, coming from other districts with the idea that the value placed on these lands was a fair one. They had not been very long on these lands before they found that they were not like lands in any other districts. The Natives refused to fence, and, if a settler put up a fence, the Native horses, and cattle, and pigs worked them down again. There was constant trouble with Natives passing over the land, and so on, and there was constant irritation received from the Natives, besides which cattle and sheep disappeared from the lands, and there was great trouble. Under these circumstances the leaseholders found that the rents payable were far too high, and they petitioned Government, with the result that the Government had these lands revalued by Mr. Robinson, the Crown Lands Ranger, and he reduced them in many cases as much as 50 per cent. These reductions lasted for five years, that term ending on the 31st December, 1892. Prior to the end of the year 1891, Mr. Ballance, who was then Minister of Lands, was communicated with, and he thoroughly understood the position, and drafted a Bill on which this Act of 1892 was founded. The object of the Act was to place the interests of the settlers in an equitable position as regarded their leases. A large number of persons had taken up rights from the Natives previous to the year 1891. I may say that in the year 1887 the House passed an Act dealing with Native lands, and that Act intended the excising of the West Coast Settlement Reserves from the action of the Act, but accidentally they were included; only those portions of the land that were not leased were hung up until this Act was passed. They were surveyed, but could not be dealt with. Mr. Ballance was communicated with, and he recognised that it was impossible for the settlers to go back to the original rents, and he recognised that persons who, in the interests of settlement, had settled on the land illegally since 1881 must be put in a proper position. Mr. Ballance made provision in the Act by which these illegal tenures could be recognised. Clause 6 was distinctly put in for that purpose. We have come down now to this Act, and the petitioners state that the Act has not been administered in a manner satisfactory to the tenants. Now, we have the intention of the Act in the first place to give us an equitable rent. Clause 8 gives a large number of subsections under which a tenant who held a lease could come in under this Act, and could obtain a new lease at a fair rental. Clause 8 specially provides that the Public Trustee shall call a meeting of the Natives and Europeans to agree together as to the rent. In certain cases, if the Natives do not come to the meeting, the Trustee then has power to fix the rent. The meeting must take place before the Trustee can interfere in any shape or form. I have here a letter from the Public Trustee in connection with my land. He gives me notice that the meeting is called, and says it will take place at a certain place; then he says, "I have fixed the value of the land to be brought under the lease at £2 16s., and the value of improvements at £1,400 6s." This is all done before the meeting is called—before I have seen the Natives; before I have had an opportunity of discussing the matter the Trustee's foot is down and my valuation is fixed. That is one reason why we say that the administration of this Act is not satisfactory. When we applied for a new lease we had to lodge £12 10s. before the Public Trustee would take any action whatever in giving us a new lease. Mr. Ballance, who knew the circumstances of the case, told the Public Trustee that it was absolutely impossible for small leaseholders to raise £12 10s. The amount was then reduced to £7 10s. Allow me to show you how that money has been expended. Valuation-fee, three guineas. Now, this valuator, who was utterly incompetent for the work, arrived on my land at 5.30.; we walked down through the land, and by 6 o'clock the valuation was finished. During our walk I drew the valuator's attention to two paddocks, one of seven acres and one of ten acres. These paddocks had been covered with rocks—they were not stones, they were rocks—the land was utterly valueless for any purpose whatever except for grazing calves. I had taken a month with two men and three horses, a dray, and a sledge to get these rocks out; the paddocks were then ploughed, and when the valuator saw them were looking green and nice. I drew his attention to these fields particularly—in many other cases I had carted hundreds of stones off the land. I live at Stoney River. I showed him heaps of stones lying in the creek—some of the rocks a yard through. He told me that was not permanent improvement, and it was not mentioned in the valuation whatever. That was a town valuator, and I had to pay three guineas for this. Then, there was the account for advertising in the *Hawera Star*. The Act says the Trustee shall advertise in a paper published in the district; not that the tenant shall have to pay for long advertisements 4in. or 5in. in length. The account I had to pay was £2 17s. for advertising in the *Hawera Star*, and not one single Native connected with my land saw a copy of that paper. When the valuation was sent to me with the Trustee's statement that that was my valuation I immediately wrote to him and, told him that the whole thing was in excess of the real value of the land. The reply I got was that if that

was the market-value of the land I had no cause to be dissatisfied. Now, sir, I have had valuations made of my land for public purposes on five different occasions during the eleven years I have been on it. These valuations were made by competent valuers appointed by Government and local bodies. My original valuation was £3 per acre, in the year 1884. In the year 1887, when we applied for a reduction of rent, Mr. Robinson, Crown Lands Ranger, of Taranaki, valued the land at £1 15s.; in 1892 Mr. Moore, acting for the purposes of the Land and Income Assessment Act, valued the land at £2 5s. I am speaking of the unimproved value. I appealed against that to the Board of Reviewers, and it was reduced to £2 2s. 5d. per acre. The whole of the circumstances were then laid before the Board of Reviewers, and Mr. Moore argued very strongly in favour of his valuations. The Public Trustee comes in 1893 and values my land at £3 8s. per acre. That is, as I said, the unimproved value. In 1894, by the latest assessment, the total value of my land, with improvements, is £2,660. That assessment was made for local purposes. The area of the land is 634 acres. Within the last month the improvements on the land have been valued under the Advances to Settlers Act, and the value that is put on them is £1,680. Taking the improved value from the total value we get an unimproved value of £980, or £1 10s. 11d. per acre. There are the actual figures, sir, in which you will see that the whole of that valuation has been in excess. There are letters here from tenants in different parts who have suffered in the same way. In the case of Mr. Smith, the valuation was excessive, being over £5 per acre. In another case where an excess occurred the farmer had his land appraised, and it was found that the valuer must have taken in his nursery stock—he had a nursery garden—as permanent improvements, and his shelter-fences must have been taken as permanent improvements, to bring him over £5. There are other statements here from different people which speak for themselves. I should like to show that the administration of this estate is not in the interests of the Natives themselves. I can mention four or five cases. Mr. McCullum leased a piece of land from the Natives, and when the new Act came into force he was willing to pay a rent of £30 rather than leave the place; but he was worked through the Supreme Court, and had to leave the place. The whole of that estate, which he had improved very highly by putting up permanent buildings and a bakehouse, is now virtually ruined; there is no one on it now. In the case of Mr. Rothery, he had built a sawmill and was using the good timber of the district, and was a great benefit to the district. Hitherto we had to bring all our timber from New Plymouth, but when Mr. Rothery started his mill we were able to get the timber we required on the spot. When the Act passed the Public Trustee took action under it, and the mill was pulled down, and the land is waste. It has not been let. Mr. Luxton was paying a rental of £60 a year two years ago. He was ousted from his land, and that land has not been relet. The trust is therefore a sufferer to the extent of £60 in his case alone. Mr. Leedom built a flax-mill on a piece of land. He lived there with his family, and was willing to pay rent. He had to leave, and that land is now a complete gorse-brake, and it is doing an infinite amount of harm to the district. He was ousted by the Public Trustee. At Okato there is a large quantity of land which is growing gorse; 300 out of the 800 acres is one solid mass of gorse, and it is travelling all over the district, and nothing is being done to eradicate it. The Natives say they will do it; but they do not, and there is an end of the matter. Roothing is one of the most important things. Sections have been let, and for two years the men have been unable to get their things, such as grass-seed, &c., on the land; and yet their rents are demanded. They petitioned Parliament a few days ago, and I am told that the Trustee proposes to lend the settlers £150, and when this is secured on their leases the road will be opened up for two miles through 1,700 acres. But above that 1,700 acres there are nearly 5,000 acres belonging to the Trustee in fee-simple, and that land will be benefited by this road; but the Public Trustee does not consider that he has any right whatever to subscribe one iota on the part of the Natives towards its construction. That is the Puniho Road. Now, sir, in connection with this Act, clause 4 says: "From and after the coming into operation of this Act reserves shall become by virtue of this Act vested in the Public Trustee in fee-simple, subject to all valid leases and contracts affecting the same, upon trust for the Native owners, but to be managed, dealt with, and disposed of under the provisions of this Act, and not otherwise." I take that to mean that the Trustee is placed in the same position as the Crown would be in regard to land (lending). When a man takes up land under this Act, adjacent to unoccupied land, he applies to the Public Trustee to do his half of fencing his boundary. In one or two instances the Public Trustee sent money and paid for the fencing. He refuses, however, in other cases. There is a letter from Mr. Lysaght, and he says that Mr. Morton Jones had not been accustomed to value land. Applicants have never been allowed to know in what way the value of their land has been arrived at. I have omitted one point in connection with the meetings of Natives. These settlers who applied for new leases were charged the cost of the Native meeting. Is it fair that a meeting shall be called to discuss a foregone conclusion, and one of the parties called to the meeting should have to bear the whole cost of it? The thing speaks for itself. There are some other points that I would have liked to bring before you, but I am getting too lengthy. The gist of the requirements of the settlers may, I think, be summed up in the alteration of one clause. If clause 8 were excised from the Act, and a new clause something to this effect substituted, I think it would meet the requirements of the case: "Any lessee under this Act who has obtained a new lease shall receive from the Public Trustee a lease in perpetuity, and any lessee who has not obtained a new lease under this Act may, within twelve months from the passing of this Act, apply to the Public Trustee for a new lease." It might also be stipulated that the Land Board shall hand to the Public Trustee all rents and money. That, I think, will meet the case of the present leaseholders.

62. *Mr. Warburton.*] By whom were you informed that McCullum offered £30 a year?—By himself. I did not say he offered it, but that he was willing to pay it.

63. He told you?—Yes. He said that rather than leave the place he would pay £30 a year for it.

64. From whom did you hear that Mr. Ballance said that the fee of £12 10s. was absurdly high?—I am not sure whether it was in a letter that I had from Mr. Ballance, from Wellington, when he told me that the charges would be made as light as possible in the new Act, or at an interview I had with him in Wanganui.

65. In your statement of the valuation of improvements you stated that the valuation of your improvements was £985?—No; the valuation of £2 5s. per acre was unimproved value, I did not give the improved value.

66. The improvements under the land-tax assessment were valued at £985, so that you are complaining that I put too low a value on the improvements?—No; I did not. You yourself introduced the question of improvements in a letter I had from you showing that I had no right to grumble:—

“SIR,—

“Sections 39 and 41, Block IV., Cape.

“In acknowledging the receipt of your letter of the 4th instant, remarking upon the apparently excessive valuation of the above-described land, I beg to state that an allowance of £1,400 6s. having been made for improvements, which, under the land-tax assessment, were valued at £985, the unimproved value of the land does not appear to me to be over-estimated.

“If the property would realise in the market the value which I have placed upon it, you should have no ground for complaint.

“Yours, &c.,

“J. K. WARBURTON,

“Public Trustee.

“James J. Elwin, Esq., Waiweranui, Puniho.”

What connection can any one see between these two things. I had spent £400 in the interim.

67. The tenants on the Puniho Road took their leases without any conditions that I would make the road?—That is understood.

68. *Hon. Mr. Reeves.*] With regard to the preliminary fee of £12 10s., was that ever reduced?—It was reduced to £7 10s.; but, as I showed from the account, the cost to Mr. Bell of obtaining a new lease was £17. The charges are very heavy—£4 19s. 6d. for valuation.

69. What was the annual amount of the rental?—£28.

70. You complain that the preliminary costs are excessive?—Yes; they amount to a half-year's or a year's rent.

71. The Trustee puts the cart before the horse in placing the valuation before the meeting takes place?—Yes.

72. You contend that there seems to be no power to compel the eradication of noxious weeds on Native land?—Yes, there is no power.

73. The Trustee refuses to pay rates on unoccupied land?—Yes.

74. Is it not also the case that no rates are paid on land occupied by Natives?—That is so.

75. With regard to this question of his refusing to contribute towards the making of roads, you do not, of course, accuse him of breaking the law, but rather of making an erroneous use of his discretionary powers?—Yes; he does not use that discretion. The general burden of the complaint is not that the Trustee breaks the law, but that his discretionary power is used in a way hurtful to the settlers and not advantageous to the Natives.

76. You want the whole of the administration brought under the Land Board?—Yes, and under the Land Act.

77. The lease in perpetuity you ask for, does that contemplate a periodical revaluation or not?—The question of periodical revaluation is a very curious one, because, as I say, in three or four years, in applying for a new lease, the original valuation of the land is lost sight of. We take up the land, clear the stones off it, and plough it, and any valuer coming in at the end of the lease does not—he cannot—appreciate the fact that thousands of pounds have been spent in clearing this land.

78. That might be met by appointing competent valuers?—Yes.

79. Would you give the Committee, as briefly as you can, an outline of what you consider would remedy this vexed question of the payment of rates?—I think, if the whole of the estate was handed over to the Land Board, they would find the means to pay the rates, but under this Act the Trustee seems to have power to take what money he has to pay rates on these lands.

80. Supposing he will not pay, what is the practical step to make him pay if the settlers want it?—The Act appears to be quite positive about the matter, litigation is the proper remedy; but if the Trustee is able to shelter himself by the Governor in Council what is the use of the Court?

81. You think the law ought to be changed?—If the Supreme Court gives judgment against him he says he will appeal to the Governor in Council.

82. You will admit that an Act of Parliament might stop that?—I do not know.

83. *Mr. Hall.*] You say that under the Advances to Settlers Act your place was valued, and the unimproved value was given at £1 10s. an acre?—No; that it is the value it works out. Under that Act details of improvements are not given. I took off the ascertained value of improvements, which left the unimproved value at £1 10s. 11d.

84. As I understand it, this land is the freehold of the Natives?—Yes, to all intents and purposes, it is.

85. It has been Crown-granted?—Yes, but Crown grants are upset by this Act.

86. The only remedy that you see for this matter is to grant a lease in perpetuity on a 5-per-cent. rental?—Yes, upon the ascertained value.

87. Does it not occur to you that it was rather drastic for the Government to step in and take it away from the Natives, and give it in lease in perpetuity?—They have done it in this Act of 1892.

88. But it is perpetual lease under the Act, and that is different to lease in perpetuity. Are you aware that the perpetual lease provides for a revaluation every thirty-three years; the other lasts for 999 years?—If we could find the real value at the present time, with all improvements

absolutely the property of the tenant, and also the locality value. The locality value is given to the land by settlement, which is paid for by the tenant, and therefore that locality value really belongs to the tenant, and not to the Native owners.

89. You are a selector there?—Yes.

90. When did you select your land?—In 1884.

91. Was there any condition by which part of your improvements should go back to the Natives?—None whatever. The condition under which I took up my land was that improvements up to £5 per acre belong entirely to me; but, as I had 640 acres, I did not at all anticipate that my improvements could ever come up to £5 per acre.

92. Do your improvements come up to £5 per acre?—No.

93. Are there many settlers in the same position as yourself whose improvements are under £5 per acre?—Oh, yes. All the large ones. It is only the small holders who complain under that section.

94. *Mr. Hogg.*] I suppose really the whole complaint may be summed up in two or three words: that the original valuation and consequently the rent is excessive?—Yes; that is one grievance.

95. When were those valuations generally made, two or three years ago in your own case?—There are five, which have been made over a period of more than eleven years.

96. Since the valuations were made do you think the value of land has declined generally?—The real value of the land has declined. I may say that since the valuations were made cattle have gone down very materially; it is almost impossible to keep sheep now; milk has gone down from 3d. to 2½d.; butter is now practically out of the question, but that was a drug in the market last summer. It has been found impossible to grow crops of any kind; their potatoes were all a failure last year. The land is now showing itself in its true colour—it is second-class grazing-land.

97. What the petitioners really want is immediate relief in the shape of reduction of rental?—Yes; and to have these disabilities removed in the shape of insurance.

98. If the petitioners and yourself could secure a revaluation and consequent reduction of rent your object would be served?—No; we ask to be placed under the Land Board.

99. You wish the management to be transferred from the Public Trustee to the Land Board?—Yes.

100. Is not the real object to secure a revaluation and reduction of rent?—No; we simply want the administration of the land to be placed under the Land Board.

101. But, supposing that was done, would not a revaluation be necessary?—No; because a revaluation has already been made in 1891, and has been exhaustively gone into by the Revision Court, therefore there is no need for any further expense to be incurred.

102. But I thought you were dissatisfied with that valuation?—Oh, no, only with the Trustee's valuation. The others were made by competent men.

103. Do you think the land would be better administered by the Land Board?—I have not the slightest doubt about it.

104. Do you think it would be fair to transfer the land in this manner?—I think the Native owners would only be too happy.

105. Are you aware that many of the tenants of the Crown are dissatisfied with the rental they are called upon to pay to the Land Board?—No.

106. *Mr. Meredith.*] I understood you to say that the total cost of the meeting with the Natives for the purpose of conferring on the question of the lease had to be defrayed by the tenant?—It has to be defrayed by the applicant for a new lease.

107. Is no portion borne by the Public Trustee, representing the Natives?—I only have the accounts for our own, and we were charged quite enough to cover the whole cost.

108. But you are not absolutely aware of that?—No.

109. About what distance are those lands from the office of the Land Board in New Plymouth?—My individual land would be about twenty miles away, and some is eighteen miles north of New Plymouth. Some of the land is forty miles distant.

110. Is the Committee then to understand that transferring the office would be a great convenience to the tenants?—Very much so. Officers of the Land Board are constantly travelling over this land, and no extra cost would be added by transferring. There is a large amount of Crown land mixed up with this land.

TUESDAY, 27TH AUGUST, 1895.

W. J. WELLS examined.

111. *The Chairman.*] You are one of the petitioners?—Yes.

112. Will you please give to the Committee any evidence that you may desire to give, avoiding as much as possible travelling over the same ground as the other witnesses?—I will travel over the same ground as shortly as possible. I take a different view of the matter to that which they take. In preface to what I am going to say, I wish it to be understood that, with regard to the Public Trustee personally, I have not the slightest doubt that he carries out his duties in a manner consistent with what his views of the matter is, but the way he has used his powers has not been in the interest of settlement and progress of this country. I am now here to show you such evidence that will conflict with his view of the matter. These leases were taken up in the year 1884, under an Act of Parliament of the year 1881. Now, the majority of persons who take up leases from the Government, or of any public lands, very seldom inquire as to the conditions of those leases. They inquire what they shall have to pay, and as to the termination of the lease, and how they are going to stand. On all other matters in the lease they give very little notice, simply because they are small matters, and hardly ever work out. I was connected with a lease in 1889. I read the lease,

however, and said to the parties from whom I was inclined to purchase, "Oh, this will never do." They said, "Why not?" "Look at the conditions," I replied. They said, "That is the letter, and will never be carried out. I have had the land for eight years, and nothing has ever been done to me about insurance or any of those matters; the land cannot be kept clear of noxious weeds, and nothing has ever been done." I said, "It will be the same with me, I suppose"; and I took the lease. Everything went well until the time of the reduction of the rental. I was paying 1s. 6d. per acre, and everything went right until the Act of 1892 was passed. Under that Act the termination of the period of reduced rental was December, 1891, and this Act was passed in 1892. It was undoubtedly intended that those who previous to this had occupied this land should take advantage of the new Act and the better terms, and could apply to be put under that Act if they thought proper. I made application to the Trustee to come under this Act. It was assented to, and the valuer came. The valuer was a person from Wanganui, who knew as much about land as the moon does. He came with a half-caste, and I was not at home when he arrived. He came to the house, and got a horse to go round the run. Of course, before he left, there were some words about the buildings. He asked what should be the value of the building, and the Native said £200; he wanted £250. My son said that I had paid £300 for the building, and it had not been up twelve months. He then went to the stable, and Mr. Jones said he would put £20 for it. The Native said, "No, put £10"; and £10 was put. I had paid £9 6s. for the iron alone on that building, and it had not been up more than six months. In going over the run the valuer followed the cattle-track, and every practical farmer knows that cattle-tracks always run through the best portion of the land. My area is 500 acres, and he went over that in one hour, after which he left. I saw him at Mr. Elwin's the same night on my way back from town, and I spoke to him about the furze growing on the land. He said he had not seen any furze growing on the land. I told him it had already cost me a large sum of money, and that I would give him £100 if he would exterminate what remained during my currency. I wrote to him afterwards in Wanganui, and renewed my offer, but got no reply. After that I got this notice from the Public Trustee, saying that he had appointed house at Stoney River to be the place of meeting between me and my Native owners to fix the rents. In the same notice he states, "I have assessed your value to be £2,406 15s." While we are on that value I will compare it with the previous ones. The original valuation in 1884 was £2 16s. 6d. per acre, or 4d. per acre rent; the valuation by Mr. Robinson in 1887 was £2 per acre; in 1891, Mr. Moore made the last valuation, where the two values were separated, and he put the value then at £2 5s. per acre. That did not include improvements, none of these values I have given included improvements; it is only the value of the Native interest on my 500½ acres. Now, you see that the first value was £2 18s. 4d., the second was £2, the third £2 5s., but the Public Trustee, some eighteen months afterwards, assessed the Native value at £4 15s. Now, compare my values with those Mr. Elwin has given you and you will find that his value in the first case was £3 per acre, whilst mine was £2 18s. 4d.; his next value was £2 5s., and mine was £2; his third value was £2 2s. 6d., and mine was £2 5s.; then, we have the final valuation, which was made by the Trustee's valuer, who valued the properties on the same afternoon, and that valuation gave Mr. Elwin's value at £3 8s. and put me down at £4 15s. Why these extreme values? Any man with sense amongst you must know that by that value my improvements were confiscated for the benefit of the Native owners. Not one man on the West Coast has spent more money on his land during the five years than I have. I wrote to the Trustee showing him the amount I had spent. I showed him that the land cost me something like £1,900 from October, 1889. I showed him what the conditions of the land were; and I showed him also that the Native interest in the land had hitherto been £1,130. I showed him also every section distinct as to its capable and pastoral prospects; also that my carrying-capacity was 150 head of cattle a year. Can any practical man, who has spent in round numbers £2,000, pay £100 a year rental and live when the land will only carry 150 head of cattle a year? In answer to that letter, the Public Trust Office informs me:—

"Public Trust Office, Wellington, 29th December, 1893.

"SIR,—

Application for New Lease.

"In acknowledging the receipt of your letter, in which you comment upon the valuation of your property, I beg to state that the value placed upon the land is that which it is estimated to be worth in the market.

"An allowance for improvements has been made in excess of their value by the Land-tax Office. In these circumstances you should have no reasonable ground for complaint.

"Yours obediently,

"J. K. WARBURTON, Public Trustee.

"Mr. William J. Wells, The Karakas, Puniho."

The Land-tax Office made their valuation in 1891; this value was made in 1893. When the Public Trust Office goes so far as to ascertain what my improvements were assessed at in 1891, why not go to the Lands Department and see that I had parted with 290 acres of freehold land, where the money was that I had got for that land? I would have referred him to my bank-book, and would have shown him where the money had gone. I say that under the Public Trustee's administration the honest industrious settler is to be robbed for the Native's benefit. I have forgotten to mention one item. I paid £7 10s. in making my application, and I got 16s. 6d. back. A portion of that sum went in defraying the cost of the meeting called between me and the Native owners. I might as well have thrown the money into the sea. I had no opportunity or chance of dealing with the Natives. They would have been quite willing to go into the matter, but the action of the Trustee barred them. Do you know that the market-value of this land was based upon this: The adjoining section to mine is a corner section, with long road-frontages. It had a ring-fence of barbed wire, and had been in occupation for two years. Bell had it. This land was covered with furze that had been burned when Bell took possession. The Natives would not lease that land unless he

destroyed the furze. This man was a member of the Canterbury Association; but when he found he could not get on to their land he came down the coast and worked at mills. He saw this section, which was advertised, and it was looking nice and green in furze. He understood that the next neighbour wanted the section for the sake of the water on it, for the purpose of working his machinery for a butter-factory, and was willing to give a big price for it—it was only a 100-acre section. That is the reason why this man gave £1 5s. per acre for it. Now, when he sees the furze growing, he is very sorry he took the section, and would like to give it up again. Was that a fair basis upon which to settle the market-value or of the prairie-value of that land when it had been ring-fenced? My land was not ring-fenced, but it was so covered with flax that you could not see a chain away from you, and if you put 50 head of cattle in a furze-break you could not see them. This I have cleared at my own expense. I have spent £500 in eradicating the furze off this section. If any man thinks I am exaggerating, I will take him over the place, and show him the adjoining land, and will bring people who will say that their land was in the same condition as mine. The land of the man next to me is smothered with furze, brambles, blackberries, and sweetbriar. On that question I wrote once to the Public Trustee, telling him what the furze had cost me, and what a nuisance it had been to have those persons adjoining who allowed the furze to run at its sweet will. This is the reply that I got:—

“Public Trust Office, Wellington, 9th May, 1894.

“SIR,— *Sections 26, 27, 28, pt. 29, and Section 33, Block IV., Cape.*

“With reference to your letter of the 26th March, upon the subject of the eradication of the furze, sweetbriar, &c., growing upon a section adjoining your leasehold, I may state that the attention of my reserves agent at New Plymouth has been drawn to the question, and I am now informed by him that the owners of the adjacent sections have expressed a willingness to clear the furze, &c., off the land, in fact, they have already commenced the work of clearing.

“This information will, I have no doubt, prove satisfactory to you.

“Yours obediently,

“J. K. WARBURTON, Public Trustee.

“Mr. W. J. Wells, Puniho, Taranaki.”

When I received that letter I left it lie. What was the use of my making any complaint when I had that thing returned to me, simply telling straightforward men that their word was no good, it would not be trusted? It is not fair to treat honest, hard-working men in this way. I do not think that I want to say anything more on that matter, except I may, perhaps, read you this letter of the 1st July, 1895, to Mr. McHardie. He had written to the Public Trustee asking him to fence the adjoining section, a thing that the Trustee had done on previous occasions. McHardie is a hard-working Scotchman; so are his sons. He has taken up land to make himself a home. He has felled 200 acres or more, and he wants a ring-fence so that he can graze the grass on it. He applied to the Trustee to fence his portion, and this is the Trustee's reply:—

“Public Trust Office, Wellington, 1st July, 1895.

“SIR,— *Section 75, Block IX, Opunake.*

“I beg to acknowledge the receipt of your letter of the 23rd ultimo in reference to the fencing between your section and Section 74, also a Native reserve, and in reply to inform you that the land comprised in Section 74 is about to be leased, the advertisement calling for tenders appearing in this week's *Gazette*; and as any one taking up this land must fall and burn the bush on the boundary between Sections 74 and 75, any fence which may be erected now would only get damaged, if not totally destroyed, by falling trees, &c.

“Tenders for this and other lands will close about the 15th August, and should none be received for Section 74, the matter of contributing towards the cost of erecting the proposed fence will be again considered by me.

Yours obediently,

“J. K. WARBURTON, Public Trustee.

“Mr C. McHardy, Opunake.”

That is an answer that no practical man would give. Any one knows when you are running wires between trees in the bush that you take the wire from one tree to another, and simply staple the wires to the trees. There is no need for strainers, for the trees serve that purpose. When you want to burn the bush near the fence you simply pull out the staples and coil up the wires, and there is little expense or loss. The fence is just simply to keep the cattle on the ground. Then, again, previous to the passing of this Act of 1892, several persons had leased from the Natives certain portions of the timber-land. Mr. McCullum was one. The arbitrary action of the Trustee caused a very great loss to the district as well as to Mr. McCullum. Mr. R——, who had a saw-mill further up the road, employed Natives at his mill. He bought timber from the Natives, and employed them all that he possibly could. That mill being there was a source of revenue to the Natives. He was informed by the Trustee that he would have to remove his mill within a certain time, and he had to do it. There were others in the same position. Amongst them was a neighbour of mine, Mr. Leidham. He and Mr. Blake had a flax-mill, which was then in working-order. Mr. Leidham was living on this land, which was of some thirty acres in extent. He had notice to leave, and he wanted to lease this land, but he was not allowed to do so. The Trustee would allow no man who had a footing on the ground to have the privilege of tendering for his homestead. On the Puno Road, some two years and a half ago, there was some land advertised to be let. There was no mention made as regarded the formation of the road. The persons who tendered for that land thought, as was usual with Government land, that that meant that such road would be made for them. They have been there now for two years and a half, and they have felled the bush, and fenced and grassed the land, and they had to carry their grass-seed and their wire through the bush after making a track at their own expense. More than twelve months ago they were promised a road, but to this day it has not been made. The Trustee has made what he considers to be a great

concession to these men—that is, they are to surrender their leases to him, and he will advance them the sum of £150 to make this road, and attach it to their leases. The interest on this £150 runs from about 1d. per acre per year I suppose, and he thinks it is a very small matter. The land has been leased at a price far beyond what the Government would attempt to give for it. If it is a hard matter for the hard-working settlers to pay 1d. per acre, what is it for the Native to receive his 1d. less. What view the Committee will take up I do not know, that remains to be seen; but that is a portion of the administration. I have laid before you the cause of our appearance here. The league which we represent—although we occupy a hundred miles of coast-line—is a complete body. We are to exist until we obtain our rights. If we do not obtain them this year we will come again next year. We represent 270 men. The very fact of our numbers will show you that we are not extensive holders, and all we want in the matter is to have our improvements secured to us. We are willing to pay the rents that are demanded, and which we now pay, but we want to have no further bother about insuring our buildings in the Public Trustee's name, or our improvements interfered with in any shape or manner. The land taken by us at the upset value was far higher than the circumstances then warranted. That is shown by what the Government have done during the last few years. Deferred-payment holders who, at the same time, occupied Government land have been reduced £1 per acre on their payments, simply because their upset value was higher than was warranted by the circumstances of the case. Then, we receive a reduction of about one-half of the former rents for five years. What we want is to be placed under the Land Board of the province, and, if the Land Board occupies the position now held by the Public Trustee, we should deal with practical men; we should deal with a body upon the spot, and we should receive justice. And this is what we ask you to give us. If any one or more thinks that what I have said is not correct, I say, "Come with me, and I will show you that what I have said is correct, and I will show you further proof still."

113. *Mr. Mackintosh.*] How is the rent fixed? Have you no basis whatever?—No, none; the land is put up for tender. That is a wrong system, but it is the one that prevails.

114. *Mr. Warburton.*] You speak of this land throughout as Government land. How do you come to the conclusion that it is Government land?—No, I do not. I say that the land is administered by the Public Trustee.

115. As to the valuation, you quoted Mr. Robinson's, on whose estimate the reductions were made for five years, and you quoted your case side by side with Mr. Elwin's. You take them both to be on the same footing—that the circumstances are practically alike?—You heard me quote those figures, and you saw the excessive valuation that was placed on me by your valuer at the last term. He placed Elwin at £3 8s., and he placed me at £4 18s., while our previous values were equal, mine being rather the lower.

116. Would your land fetch the price that Mr. Jones put upon it in the market?—Of course it would.

117. Without improvements?—Most decidedly not.

118. What do you consider to have been the fall in the value of land since Mr. Jones valued it, during the last two years?—The fall in the price of land has been heavy during the last two years, but I cannot tell you the exact figures.

119. There has been a general fall during the last two years; at what amount do you estimate that fall?—I cannot give you any idea.

120. You had a lease under which you are paying your present rental. You took that lease for twenty years, and under the Act I had authority to offer you a new lease. I had that discretion, but you had your own lease?—Yes, and I took it back again. Why did you not treat them all the same way, and tell them to apply for the lease, and not worry them about mortgages for insurance?

121. You admitted they are all treated in accordance with the law. Their contract under the lease which they took was that they should be entitled to £5 of improvements per acre and no more. They were therefore very properly asked to pay this?—No; not on a value not shown by practical men.

122. *Mr. Meredith.*] Do I understand you to say that the Trustee's valuation of your place in 1893–94 was £4 15s. per acre unimproved value?—Yes.

123. How does your land compare in quality with that held by Mr. Elwin?—Well, I think that some of mine is rather better than Mr. Elwin's. I had more stones on some of mine, and some of it is very indifferent.

124. What rent are you paying for the land at the present time?—£72 a year.

125. What is the acreage rent?—2s. 11d.

126. You say you did not take advantage of the new Act of 1892 to take out a new lease?—No; I did not take advantage of it, simply because my rental would have been over £100. At the present time I pay over £20 a year in taxes in addition to the rent.

127. You pay harbour rates?—Yes; and County Council, hospital, and charitable-aid rates, &c.

128. Supposing you had taken out a new lease in 1892, would your improvements have exceeded £5 per acre?—No, sir.

129. Therefore you would not have had to pay on any improvements over £5 per acre?—No.

130. You referred to this £150 being spent upon the road: to what extent was that £150 allocated to the tenants? I understand you to mean that this £150 was capitalised, and that you, in common with the Natives, paid the interest on it for the making of this road?—No, sir. These persons took up the land, and they have applied to the Trustee, and he has made this great concession: that he will find £150 to make the road to the end of the property they hold provided they surrender their leases and allow him to attach to their leases the interest of that money.

131. Instead of calling upon them to pay the £150 at once he will take the land as security, and the £150 is capitalised?—Yes. There are 4,000 acres of Native land which he holds, and which is not leased, which is touched by that road, and the Natives pay nothing for it.

132. *The Chairman.*] In reference to that land that was leased where there is a difficulty about the road with the Trustee, what are the conditions of the lease under which those settlers took up that land?—Simply that the land was for lease for so many years.

133. Under the lease, was the Trustee bound to make the road?—No; there was no mention of the road one way or the other.

134. Then, the settlers knew what they were doing?—No; they thought it would be the same as the Government lands.

135. But this was not Government land?—I know it.

136. Then, summing up the whole of your evidence, in your opinion, has the Trustee not carried out the conditions of these leases to the tenants—has he or has he not carried out the conditions of the leases?—He has carried out the conditions as far as the interpretation of the Act goes; but we interpret the Act in the interest of settlement and the advancement of the country, and the Trustee interprets it only in the interests of the Natives.

137. You will admit that the Trustee is administering what is practically a private estate?—Yes; that is why we want a change.

E. M. SMITH, M.H.R., examined.

138. *The Chairman.*] You represent the New Plymouth District?—Yes.

139. This land that is in question is in your electorate?—Part of it.

140. Will you, in as brief a manner as you can, tell the Committee what you know of this land?—As the member for the district I have been present at meetings with the Premier of the colony with some of the most prominent settlers who hold leases under the Public Trustee. I have also been appealed to by them all round the district about the administration of the Trustee, and there is a general complaint all round the district about that administration. Their grievance is that the Public Trustee's policy is contrary to the policy of the Government in roads, in fencing, and also in the valuation of the land. I have myself presented petitions to Parliament, which have been dealt with by the Public Petitions Committee, and though that Committee have made recommendations to the Government, and although the Premier had requested the Trustee to stay his hand until an amendment to the law could take place to give these people redress, the Trustee refused to obey any order of the Government or the Premier. This particular case I refer to is of a man named A. Wray. He applied for a new lease. The terms under which he got the new lease are these: that a valuation should take place at the time that he agreed to the new lease; but the valuator did not come to make the valuation till some months after Wray had entered on occupation. The man had only a small section, and he had put improvements on it, and built a house. To his great surprise, he found that the valuer had valued his improvements with the land, and these the Trustee demanded, so that, actually, the very amount he had expended, instead of coming in at the end of the old lease under the system of the Public Trustee Acts, they came in at the commencement of the lease instead of at the end. The Trustee was willing to advance him an amount of money on mortgage, for which he had to pay 6 per cent. This he thinks very arbitrary, considering that the Trustee is lending money out at far less than 6 per cent. At any rate, the Trustee would not bend in any shape or form, and the man has had to pay the extra amount of money or throw up the land. This will prove the arbitrary conduct of the Trustee. Like all these other settlers, I have known Wells ever since I went to New Plymouth. They are very hard-working men, and I feel convinced that if their case had been brought before the Land Board or the Government or any proper body these settlers would have been met in a fair, just, and equitable manner. But the Trustee has expressed himself to me that he is above the law and above the Government—in fact, that he has a special law which gives him power beyond any other power, and if such is the case there is no chance of getting any redress. I have the greatest respect for the Trustee as a private gentleman, and I may say that things he has positively refused to do, as regards the making of roads and fencing, he is gradually coming round, and things he said before he could not do he is now doing. He is not leasing lands under the same conditions as the public lands, and he states in the lease that roads will be made. I appealed to him a few years ago about the public land, and asked him to send up settlers to make the roads. Well, he professed that he let those lands, but he let them low that he would not be called upon to make the road. He is making a road at the back of this land, and has suggested to his agent in New Plymouth that this road should do for both purposes. He has stated over and over again that he does not intend to look at it from any other point of view than that he is a trustee for the Natives, and looks at the interests of the Natives only, and does not care one jot for the settlers. In some cases I have been able to deal with the Trustee. In one case the Native owners agreed that they would forego the first half-year's rental due to them in order that it might be expended on the road. I believe the Trustee was astonished. He communicated with his agent in New Plymouth to find if it was true. It was true. The road has been made, and the settlers have taken up land on that road, that is the Tekorari. If he had administered other lands as he has done that there would not have been this discontent and these appeals to Parliament. In that case they appealed to me for it. There is a reserve at the end of the block for the Natives themselves, and the Natives cannot get possession. It has never been individualised, and they cannot get it. They have said to the Trustee that if he would give them that land they would become as Europeans, and pay taxes and rates. I hope he will take a note of that, and see that the land is individualised. I just say it to show that there is just cause for complaint against the Trustee. These Ngatihaeri Tribes there under the Trustee have also appealed to the House year after year to deal with their lands. Where the land is under the administration of the Government, and they apply, the Government has an investigation of the case, and in many cases has the restriction taken off, and every one is satisfied. When they appeal to the Trustee, he says he will not take any notice of what they say, neither of the Europeans on the one side nor of the Natives on the other—he is the Trustee, and he will administer the estate as he thinks proper. The law places him beyond the power of any other

law. I have complaints from Natives equal with Europeans in my district, and if there was a Commission in this district you would find that these are mild complaints that have been brought by the members of the West Coast League. Many persons have suffered injustice from the Trustee who will rather bear them than petition Parliament, seeing that there has been no redress got from previous petitions. I believe myself that if these lands were under the control of the Government, through the Land Boards that they would be administered to the interest of the Natives and in the interest of the Europeans, and that it would give satisfaction instead of dissatisfaction. A case I wish to illustrate is that of a man named Harge, who had a lease of land for twenty-one years. He had taken the land when it was under bush. He applied to the Trustee about two years ago to give him a new lease, without competition, with a fresh valuation. He applied to the Trustee to give him a lease for nine months while he got his crops out. The Trustee would give him nothing of the kind. There happened to be no other person tendered for this particular piece of land, and, although he was the only tenderer, the Trustee would not give a new lease except on a valuation given by the Trustee. Fortunately he retained his old land, but he has had to pay a higher rent than the Natives were willing to allow him to have it for. I do not know who was the valuer. The grievance of Wray is, that when the valuer went there only the children were at home, and accordingly no information could be given to him. The valuations have been very expensive to the settlers, the valuer having come from Wellington, and gone all over the lands, and then gone back to town again, and then come back to these lands. It has been most expensive. Another point that I wish to bring before the notice of the Committee is this: Where they have tendered a high rate for the lease, and something has occurred and the lease could not be granted, another £12 10s. has been demanded because the lease could not be granted in the first place. In regard to this Puno Road, which opens up a block of some 4,000 acres of land, it has been pointed out that if the Trustee would have that land surveyed the young men, the sons of the settlers, will take it up, and by being there will have something to do. An administration which puts people on bush-land miles from a main road, and with no roads to be made, present or prospective, is an administration opposed to the administration of the Government, and to the policy of the Government. The Government are making roads in advance of settlement, and in some cases they are metalling them. I have no objection to the Trustee, who is a gentleman of great ability, but I have only to state the cases as they come under my notice as the representative of this important district. If the Committee could see their way to grant the prayer of the petition, and place this land under the same conditions as the Crown lands of the colony, it would be better for the Trustee, and would meet the case all round.

141. *Mr. Warburton.*] You are aware that I am a statutory officer with statutory duties?—Yes.

142. Why should I be guided by the Government or the Ministry, or anything but legislation?—I was on the Committee that dealt with that case, and from conversations I had with Mr. Ballance, who initiated, I believe he intended that discretionary power should be given to you, in order that you could look on both sides of the case. It was never intended that you should look at it only from the Natives' point of view. What the Trustee was doing in Mrs. Wray's case was strictly in accordance with the law perhaps; but what we say is that the Maori people whom he says he is administering the trust for have no more power than if the land did not belong to them. My object in speaking before this Committee is with a view of getting the Act amended. I had missed this point so far as Mr. Leidham was concerned. It is perfectly true about this flax-mill, but they have missed one point. This land was given to a half-caste, who had given a lease, and the Trustee said they had no power to give the lease although the flax-mill was there. This man had tried to get the Trustee to give him a lease as an occupier, or by the year. The Trustee would not extend mercy or consideration to that man, and, although he is a very industrious man, he was positively ruined by the Trustee's action.

J. K. WARBURTON, Public Trustee, examined.

Mr. Warburton: The land which is the subject of this petition comprises what is known as "the confiscated territory," in the Taranaki District, in the North Island, those portions which the Governor in Council was authorised to grant to Natives by "The West Coast Settlement Reserves (North Island) Act, 1880." Crown grants were issued accordingly, containing restrictions preventing the grantees from alienating the granted land otherwise than by leasing for a limited term—that is, for not more than twenty-one years. The Legislature, not content with these restrictions, and no doubt taking into consideration the value and extent of the reserves, which comprised upwards of 190,000 acres of first-class land, passed, in the years 1881, 1884, 1885, and 1887, statutes by which these lands were to be administered by the Public Trustee. These statutes in law prevented the Native grantees themselves from leasing or disposing of their lands, the whole authority to lease the lands being placed in the hands of the Trustee under the Act of 1881. The motive for setting up the trust would be the protection which it was necessary, in the interests of the colony, to afford to the Native owners of the property from their own improvidence and the designs by which their land, when subject to no restriction, so regularly passed out of their possession. And, of course, it would follow, if the beneficiaries of this trust were to sign such a petition as that before the Committee against the administration of the trust, their signatures would simply accumulate the evidence for the necessity for the trust. Many wrongs have been done to the Natives in the past on their own signatures. The property was to be managed by the Public Trustee in the interest of the beneficiaries or the Native owners. Judge Connolly, in his judgment, delivered on the 23rd May, 1891, in a test case submitted to the Court of Appeal against the Public Trustee, and another by the Native owners of a portion of the reserves in question, stated as follows: "The Public Trustee is in no way less liable to his *cestui que* trust than any other trustee would be, and that he must not accept the surrender of a lease unless it is certainly to their advantage to do so. The power to be exercised was

not coupled with any duty to the parties who called upon him to exercise it; his duty was to those for whom he was trustee." This was in the case where an attempt was made under the Act of 1887 to give improvements belonging to the Natives to the lessee. Regulations were made for the purpose, and some two or three leases were actually granted. Judge Connolly was not delivering himself then in Taranaki to a Taranaki jury, but to the Court of Appeal, in Wellington, where all the circumstances were conducive to a judicial frame of mind. His judgment was not consequently affected by the interests of settlement, or by any assumption of the circumstances of a case of trespass on Native lands. The Judge indicated where other blunders had been made, such as the granting leases for thirty years. He had no occasion to refer, and he did not do so, to the reduction of rents for five years. The reserves were thus declared to be property to be administered by the Public Trustee on the principle which should regulate the administration of private property by an ordinary trustee. The land, indeed, was private property, not Crown land, or land to be administered in the interest of settlement. Until 1892, the administration was unsatisfactory, and, to provide a more satisfactory and effective scheme of administration, the late Mr. Ballance, then Colonial Treasurer, devised and carried into law "The West Coast Settlement Reserves Act, 1892." In this Act care was taken to observe the principle on which the Court of Appeal laid stress—that the administration of the reserves should be one of an exercise of discretion by the Public Trustee in the interest of his trust. The reduction questioned as arbitrary, which was made for five years, from 1888 to 1893, in the rental of the leases by the Public Trustee, was validated. That reduction was not due to an exercise of discretion by the Trustee in the interest of the Native owners, but was due to political pressure—to a consideration of the interests of the lessees. The lessees ought to have been left to their contracts. The Trustee was open to a charge of breach of trust, and it was perhaps fortunate for the Government that proceedings were not taken. There would have been difficulty in defending it as either reasonable or just. In this Act of 1892 the wrongs of the past were righted by what is described in the Colonial Treasurer's statement as a compromise. The leasing provisions of the Act are similar to those of the Land Act of 1885, to the extent that the reserves are to be leased practically in perpetuity by the Public Trustee by public tender. Section 12, however, confers on the Public Trustee a subordinate and special power of letting reserves from year to year at a reasonable rental, determinable on a three months' notice; and section 8 authorises the Public Trustee, in his discretion, to grant new leases to lessees holding under old leases. Where the Public Trustee might, in the exercise of his discretion, have agreed to grant a new lease, his decision to do so ought, consistently with the principle of discretion, to have been on the condition that he should fix the value of the land, and that there should be no appeal. I am giving you what the Act really provides. The Trustee's discretion would obviously have been destroyed by a right of the tenants to appeal against his terms. His discretion would have been transferred to valuers and arbitrators, and that would not be discretionary administration by the Trustee. No private owner would listen to a claim to appeal against his terms of sale. The Public Trustee, therefore, under this statute had, outside of section 8, only two powers—a power to grant a perpetual lease by public competition by tender at a rental not less than 5 per cent. of the capital value, and a power to grant a temporary tenancy from year to year. Section 8 authorises the Public Trustee to grant new leases in substitution of the old leases in existence, or which had expired. The Native owners and the lessees holding under the old leases were to meet for the purpose of fixing the rent in each case where the Public Trustee had decided to grant a new lease, but the Trustee had complete control of the position. It was necessary that he should have this complete control for the purpose of exercising his discretion.

143. *Mr. Duncan.*] Why were they called together then to discuss the matter?—Because the Natives desired this legislation. The Act provided that the Trustee had the authority to discard the decision.

144. *The Chairman.*] The Act places the Trustee above the Natives?—Yes. It lays in his discretion to consent or not, and in case of his inability to consent to fix the rent at 5 per cent. on the capital value as ascertained by himself. The provision that a new lease granted in substitution of an old lease issued by the Public Trustee should not be granted unless the lessee should pay for the value by which the improvements should exceed £5 per acre was equitable. It was not in the Bill as originally drafted, because the reserves, being farm lands, it was not expected that the improvements would exceed or amount in any case to as much as £5 per acre. Very few leaseholders indeed have improvements exceeding the £5 per acre. In the case of Mr. Wells, he was paying a rental of £72 a year for twenty-one years, and the market rental, according to my estimate, would have been considerably over £100 a year. If, in his meeting with the Natives, he had agreed to pay a rental of £80 or £90 a year, I should, in the exercise of my discretion, have accepted that, for it was better than the rent he was paying. I do not think on the whole it was a perfect Act in that respect.

145. But, supposing that Wells and the Natives had agreed to accept a lesser rental, you would have stepped in and refused?—I do not say what I would do. I had the power. As to that Act, the Colonial Treasurer, in his Financial Statement of 1893, said: "To the compromise which the Act has authorised, both the Natives and the settlers had been reconciled, and since the 1st November last, when the Act came into operation, the feeling of the Natives has been one of a growing reliance that the administration of their lands would be just and satisfactory." The Act, to carry out the right principle, vests the land in the Public Trustee for the purposes of an administration as entirely in the interests of the beneficiaries as if these beneficiaries, all of whom are Natives, were not Natives. The Public Trustee must exercise entirely in the interest of the Natives the authority which the Act gives him to grant a new lease. His duty is to fix, as a private trustee would fix, the terms on which he will exercise that authority, whether those terms should be of value, rent, or insurance, and to say to those who wish to deal with him, "These are the terms on which I can let you the land—you are free to take it or leave it; if you take it, I will carry out my contract, but I shall keep you to yours." With regard to that Act, Messrs. Hutchison and

McGuire waited on Mr. Ward, on 27th August, 1894, and urged upon him as follows: [Appendix A]. All Governments, and especially the present Government, have been rather disposed to exercise their influence in the interests of the settlers. From the administration of Mr. Ballance onwards this has certainly been the case. To these representations of Messrs. McGuire and Hutchison, Mr. Ward replied as follows: [Appendix B].

I am then really a private landlord, whose ordinary rights of private ownership, or the rights for which I am trustee, it is the object to destroy by legislation in the interests of the tenants—by legislation which is not to be applicable to all private owners of property, but only to the private owners among a small portion of one race of the people—the aboriginal race. It was stated that this petition was a reflection on my administration. The witnesses have all declared that I am doing my duty as trustee, and I think myself that this petition is a testimony that I have carefully observed the law, and studied the interests of the estate; for the petitioners are the tenants of the estate, tenants whose interests are in conflict with those of the beneficiaries, and who would be unlikely to complain of having received any benefit at the expense of the estate. The motive for the trust, as I have already stated, was to protect the Natives from themselves, because, when they had the power to deal with their lands, the lands generally passed out of their possession. Any protest from the Natives, therefore, to an administration which is entirely in the interest of their estate, and which, as I will show by-and-by to have been the case in this estate, brings them in the greatest pecuniary benefit, must simply appear to be an accumulation of evidence of the necessity for the trust. I cannot regard the statements made as anything but evidence of a justifiable administration of the estate. The only petition that would be a reflection on my administration would be one which might follow proceedings where the Supreme Court had decided against me, and my administration had been carried out with disastrous results to the beneficiaries. If I could not have justified all my actions, and judgments against me in the Courts of law—the tribunals to which I am answerable—had time after time shown my administration to be wanting in judgment and disastrous to the interests of the estate, I might then have been open to a charge reflecting on my administration. The petitioners, however, and their witnesses either admit, or are unable to reasonably dispute, that I have the law on my side—that judicial proceedings would not be warranted or succeed against me. And the object of the petition appears to me to be that one private party—the petitioners—may by fresh legislation obtain at the expense of another private party—the beneficiaries—an advantage which the law will not at present permit. But if in a really private dispute like this the party whose contention the law may not support may petition with the hope of reversing such law, the regulation of our affairs by the common law would become unsettled. The opinions which the petitioners and their witnesses have ventured to offer—that in one or two instances the law would now justify me in doing some things which they wish—I will here pass over with the remark that the responsibility of a correct interpretation of the law, and of the exercise of a just discretion, lies with me. The witnesses for the petitioners and the tenants would dictate how the trustee should exercise his discretion, and they all talk as if the administration should be in their interests. I may say that so trained are the minds of many of the lessees of these reserves to expect from legislation affecting the Native race an appropriation at the expense of the Natives of some benefit to the settlers on Native lands, that many of these settlers, immediately after the passing of the Act of 1892, expected that not only would the lessees be entitled to new leases, but that the essential condition of the new leases would be a reduction of rent.

Take now each prayer set out in the petition. The administration has not probably satisfied the tenant, who desires advantages at the expense of the trust. But as to the Native owners, if they are not satisfied, the reason cannot be owing to any neglect of the only consideration which must influence me in the administration of their property, an administration in their interests alone. And that their interests have been studied the petition is the implied testimony. I will give you what has been done during the last two years. The rentals were about £7,000 a year before I took charge—that was, from the whole of the leases. There were then about 54,000 acres leased. During the last two years I have leased, in small sections, averaging about 170 acres, 38,819 acres in addition to the 54,000 acres leased before I took charge. I have increased the area of land bringing in revenue from 54,000 acres to 93,143 acres, and the income from the land has increased from £7,000 to £16,856, or, say, £17,000 a year. This has happened in about two years. I do not see how the Natives can petition on the ground that the administration of the trust is in any way unsatisfactory.

The Chairman: We have no petition before us from the Natives.

Mr. Warburton: The charges or expenses in connection with the applications for new leases are all reasonable and according to the Act, except that certain considerations not originally contemplated have been made to the lessees; and these charges are all incurred with the exercise of the closest economy. The land was inspected not only by a competent valuer, but by a Native, whose employment was expedient to give confidence to the Natives; and in Mr. Elwin's case the charge of £3 3s. was very moderate. Mr. Jones, the valuer, and the Native had to travel a long way, Mr. Jones coming from Wanganui. The reduction of the deposit, on account of the expenses in connection with the new lease, from £12 10s. to £7 10s. came out of a suggestion originating with me—that, if the expense of advertising in the *Gazette* and *Kahiti* could be waived, the reduction could be made. Mr. Ballance had nothing whatever to do with the matter except by way of approval. The advertisements of the notices by which the rent meetings were called were arranged at the specially low price of 1s. an inch, and they were all stereotyped in the smallest possible type. Their insertion was required by Act, and the length was regulated by the number of people whose names had to appear in the notice calling the meetings. It seems to me to be very reasonable that in cases like these there should be ample notice, and the notices were advertised as the law required, twice a week for three weeks. Besides these advertisements, a copy of the notice was specially addressed to every person concerned, and the attendance of the Native owners at the meetings proves that they received ample notice of them.

Then, as to the insurance in the name of the lessor. The objection to this requirement would imply that the petitioners have no substantial grievance. Mr. McGuire, indeed, seemed to me to think that they might abandon their prayer in this respect. A lessee must live on his property, must build, and ought, in common prudence, to insure. The simple question is whether the insurance should be in the name of the lessee or of the lessor. There was some correspondence with Mr. G. Hutchison on this matter of insurance in the name of the lessor. My minute on his last letter was as follows: [Appendix C].

The fact is, it does not matter two straws to the lessee, and the mortgages on these lands prove that mortgagees see no obstacle. Any party to an insurance can, as pointed out, require that the insurance money shall be applied to the reconstruction of the buildings, and the insurance company could not with such notice pay it over except for that purpose.

In reply to section 4 of the petition, I have to say that the Act itself is the intention of the Legislature, and carries out the deliberate intention that the lands should be vested in the Public Trustee for the purposes of an administration in which he should exercise his discretion in the interests of the Native owners. It was not an Act to assist the struggling settler, for to do that would have rendered necessary an invasion of the rights of private property. It did legalise improper tenures of the lands of the trust.

The complaints against the administration contained in the 5th section of the petition I can make nothing of. They are mere generalities, and are doubtless included in the charges made in other sections of the petition. The Public Trust Office administration must be subject to the general law as to the exercise of discretion.

Regarding the 6th section of the petition, I may again say that the Public Trustee's duty is to the beneficiaries. Administering a private property as an ordinary trustee, he does only and no more than he can justify by a consideration of their interests, whether in the improvement of the estate or otherwise, and it is his duty to impose on the lands the highest rents he can get for them.

WEDNESDAY, 28TH AUGUST, 1895.

Mr. Warburton: With regard to section 7 of the petition, the lessees or tenants were offered new leases under section 8 of the Act of 1892, or have obtained leases in public competition by tender, on terms and conditions plainly set out in those leases. If the conditions comprise a right of the tenants to improvements up to a value of £5 per acre and no more, the Trustee could not be expected, nor the legislature, to allow more. When leases of land are offered to public competition by tender, the conditions of such leases are made known, and, if those conditions allow no improvements to the lessee, the lessee tenders accordingly. The rent is regulated by these conditions, so that where improvements only to the value of £5 per acre were to go to the tenant the lessee would have taken that condition into account in tendering. It would be simply an appropriation of another man's property to give the tenant of private property improvements beyond the terms of the contract. It is not for me to speak of the liberal programme, but I think it would hardly go the length of transferring property from the person possessing it to another person who wants it—that is, to the transfer of the property rights of individuals who happen to be Natives to other individuals who happen to be tenants of the land of these Natives. Politics cannot surely affect the question of how this private property should be administered, or how the Public Trustee is to perform his statutory duties.

Clause 3 of the petition claims that the Land Board is the proper body to administer this estate, under the Land Act of 1892. Well, the Land Boards of the colony are Boards set up in the interests of settlement. An administration by the Land Boards, under the Land Act of 1892, would involve an appropriation by the Crown of the whole property, and that would mean another confiscation at a time of peace between the two races and of the disposition of the Maori people to be satisfied with the administration of their property. The disputes and difficulties between the two races have been settled, and there is now no further trouble, but, were such to be incurred again, it would mean enormous expense in litigation. I think I stated yesterday that I had leased approximately forty thousand acres, under the Act of 1892, of land which could not under former conditions have come into the market before. The disposition of the Natives—and their consent was then necessary—was rather not to allow the Trustee to deal with the land, in consequence of the wrongs they had suffered in the past. I think it would be difficult to defend the morality of this proposal, which is not to take possession of all private property without respect to persons, classes, or races, but of the private property of a small portion of one race. I do not think the proposal is one that can be urged in the interest of the Natives. It is certainly in the interests of the lessees.

The proposal contained in section 9 of the petition—that the Advances to Settlers Act should be subordinated to meet the ends of the petitioners—I think, speaks for itself. I understand that section of the petition to require no comment from me.

In section 10 of the petition the happy result predicted of the adoption of the suggestion for the wholesale appropriation of the trust property—namely, a legitimate income and an escape from the alleged expensive administration of the Public Trust Office. The petitioners say nothing of the private property of persons other than of these Natives.

Now, as to the general prayer of the petition for such legislation as will place the lands under the common laws of the colony, the lands are already under these laws, and if any alteration would be justified it would be to give a wider discretion to the Trustee in the interests of the Native owners. That was not given, on account of difficulties that had arisen, and a compromise was necessary to put things on a proper footing.

The question of my refusal to pay rates has been raised. Well, that is simply a question between one private party and another. If I can get out of paying rates I am justified in so doing. It is only a question of law. One of the local bodies wrote to the Government on the subject of a

claim for rates against portions of these reserves, and the Government referred the matter to me. I wrote a reply, of which this is a portion: "The recovery of the rates is, I think, impracticable, and, this being the case, I would not be justified in promoting a claim for the amount against the estate which it is my duty to protect. The letter of the Clifton County Council is tantamount to an application to the Government to interpose its authority to compel a private party, who is represented by the Public Trustee, to pay to another private party—the Council—a claim which may be found unjust and impracticable to enforce. I would suggest a reply to the Clifton County Council that their letter has been communicated to the Public Trustee, but that, with regard to the claim sent to him by the Council for rates, the course which he may take affects the private property of a trust, in the administration of which the Public Trustee must exercise his discretion, and that, as the Government could not justly interfere in such administration, the Clifton County Council must be left to deal with the Public Trustee as with a private party." And that is the whole principle of my administration with regard to rates. I will say this about Native rates, however, that, although it may be reasonable where a block of land is producing a large income sufficient to pay rates that the Native owners should pay rates, there is, on the other hand, a danger of a sort of indirect confiscation by means of rates. In regard to the lands which cannot be leased, the difficulty of levying rates on these is that you must either load the land for the future, and deter its settlement by that load, or that you must go for the purpose of those rates to alienation of the land, or that you must go to the Consolidated Fund. It is, I think, absurd to talk of rating Native lands unless these alternatives are considered. But, as to rating Native lands generally, there is the danger that through the rates the land itself may be confiscated. Legal proceedings which I have taken on behalf of the Natives in Taranaki show there is very little consideration for the Natives. I am not reflecting on the local bodies themselves, but am simply stating, in the abstract, what may be a possible consequence.

As to fencing, my administration in regard to that is on the same principle as with regard to rates—I will not fence except in compliance with the Fencing Act. It is absurd to expect me, acting as a trustee, to pay for fences run through bush from one tree to another without regard to the survey-line and the Fencing Act.

As to roading, that I should say is a matter regulated by the condition on which I offer the leases. I offer lands for lease on public competition by tender with or without conditions about roads. If I make no conditions about roads, I make no roads. In regard to the case mentioned by Mr. Smith where I am making roads, I am doing so because the making of roads was a condition of leasing the lands—was promised prior to leasing. I should not be justified in spending 1s. on roads where I had not made the expenditure a condition of the leases.

Now, as to the spreading of gorse. All over New Zealand there has been an enormous spreading of gorse on idle land. In these reserves it is very bad. Natives are notoriously slow in clearing their land of gorse. They have received notice after notice from me that if they do not clear the land I will lease it. Time is of no moment to the Natives, and I must allow them a long time to consider these notices. If I want to make the administration of these reserves successful, I must not come down to the Natives with a peremptory notice to clear their lands in a few days, weeks, or even months, if I am not to lease them, for if I were to lease I would in some cases perhaps take away from them all that remained for a residence. The case which Mr. Wells quoted of a neighbouring piece of land occupied by Natives not being cleared of gorse goes rather to prove that the administration is concerned as to these things. Notice was sent to the Natives, and my reserves agent there, who is very attentive to his business, states: [Letter put in. Appendix H]. If, as Mr. Wells states, the land has not been cleared, it is simply another instance of the neglect of the Natives, though that letter would show that they were doing something in the direction required by Mr. Wells.

I have already answered the objection that lands were not leased by stating that a very large area indeed has been leased. Although the work is of my own department, I think it wonderful that nearly 40,000 acres should have been leased by the office administered by myself, and that all this land should have been let in small farms. It was only the other day that I leased upwards of 5,000 acres to upwards of thirty settlers, and during the next six months I expect to let 6,000 acres more, though one result of that may be to add by these settlers to the number of petitioners.

With regard to the valuations, I have already explained that it was properly and strictly in accordance with the principle of discretion in the administration of the Public Trustee that he should fix the valuation without appeal—that if there should be an appeal his discretion would be transferred to valuers and arbitrators. But I will go into the question of the merit of the valuation itself, because there have been so many reflections on this work, and I will show that they are undeserved reflections. The petitioners have endeavoured to support the position which they have taken up by an attempt to prove that Mr. Morton Jones, whom I employed to inspect and report on the lands, was, as a valuer, incompetent for the service. In my report, which was laid before the General Assembly during the session of 1893 (Appendix to Journals of House of Representatives, H.—11, 1893), I stated as follows: "In selecting a person competent to properly inspect the properties, and to furnish me with accurate report upon them, my desire was to secure one who, without property in, and not a resident of, the district of the reserves, should combine with experience acquired by a long residence in the colony a knowledge as well of business generally as of the character and value of the land comprised in the reserves, and on whom I could depend for information necessary to a reliable estimate of value; and I found these qualifications in Mr. Morton Jones, who is carrying out the work with an economy of importance to the lessees, and with general satisfaction both to them and to the Native owners. In his inspection of the properties which he is required to value, Mr. Jones is accompanied by Mr. George Broughton (Ngarangi Katitia), whose employment in this work has inspired the Natives with confidence, and precluded the suspicion with which they would certainly have regarded a valuation made by any one not of their own race or choice." Now, by what are we to judge of the compet-

ency of Mr. Jones. If he is to be judged by his works, if his values stand the test of the market—the test which justifies my acceptance of them—he comes up to the standard by which he is justified in my sight. The case on which the petitioners appear to dwell with the greatest confidence that their case against Mr. Jones is triumphant, the case, indeed, out of which the petition would appear to have arisen, is that of Mr. Elwin himself. Let me then put this case to the test. The report of Mr. Jones was made in October, 1893, or about two years ago. Mr. Elwin or Mr. Wells has stated in his evidence that the land-values have fallen considerably during the last two years, and Mr. John Hislop, whose reputation as a valuer stands deservedly high in the opinion of all the lending Boards of the colony, and high in the estimation of the people of his own district, telegraphed to me on Monday last—

146. *Mr. Elwin.*] Who is Mr. Hislop?—He is a member of the Land Board of Taranaki, and he was Mayor of Hawera. We are fifty miles from Hawera.

147. *Mr. Duncan.*] Was he connected with these values?—No; I am now speaking of the fall in land-values generally. Mr Hislop, as I was saying, telegraphed to me on Monday last, in reply to an inquiry from myself how much he considers the value of land to have fallen during the last two years, that the fall has been from 10 to 15 per cent. The following is my inquiry and Mr. Hislop's telegram: [Appendix D]. I will take the fall at $\frac{1}{2}$ per cent. below the mean fall, and put it at 12 per cent. Mr. Jones stated the land, without improvements, to be worth £2,160. Of this amount, 12 per cent. would be £259, and his valuation would be proved to be accurate by a competent valuation at £1,901 at the present moment. Now, a valuation made for loan of money, and for the purpose of loan for mortgage, would be, in ordinary course, a low valuation; and of low valuations none have been lower, I think, or more careful than those made for the purpose of loans under the Advances to Settlers Act. Mr. Elwin quoted that valuation, or, rather, gave his estimate of it, and on Saturday last I telegraphed to Mr. Shaw as follows: "Kindly authorise me to show Committee on West Coast leases petition your valuation of Mr. Elwin's leasehold, if you have no objection. I propose asking Mr. Elwin's consent." To that, Mr. Shaw telegraphed in reply: "Am quite agreeable for valuation of Mr Elwin's leasehold to be exhibited to Committee."

148. *Mr. Duncan.*] Who is Mr. Shaw?—He is a valuer employed by the Public Trust Office Lending Board, the Government Insurance Office Lending Board, and by the Advances to Settlers Office, and he is also agent for the Public Trustee in New Plymouth. These are the questions: Rental at which the land, if in the same state in which it was at the commencement of the existing lease, could be now leased—3s. to 3s. 6d. per acre. How the rent compares with the estimated present market rental—favourably, say 2s. 11d., present rental, to 3s. 6d. Now, 3s. 6d. an acre on 634 acres would produce a rental of £110. Mr. Jones's valuation of this 634 acres was £2,160, a rental of 5 per cent. on which comes to £108, or £2 less than that given by the valuation for the purposes of the Advances to Settlers Act. In repeating that a valuation like this is a very low valuation, I will state what Mr. Shaw gives as the present capital value of the land without improvements. According to the instructions issued, the capital value is the present realisable value, and Mr. Shaw states the realisable value at this day to be £3 per acre, or £1,902, or £1 more than the value reported by Mr. Jones in 1893, after allowing for the fall of 12 per cent. which is estimated to have taken place in the interval. And this case will be found, I believe, to be a fair example of the work of Mr. Jones, which has been proved competent according to the only test to which I care to put it. It is mere assumption on the part of witnesses to say that I know nothing about land and its value in that district. Mr. Elwin's land would lease to-morrow at 4s. per acre at least.

Then, with regard to the cases of the ejectment of trespassers from the reserves, the few cases in which the petitioners would represent me to have acted with a severity not in the interest of the trust, and in oppression of deserving pioneers of settlement, I will answer by taking the celebrated case of McCullum. This is the case where proceedings were taken by me. But first of all I should state that in my report of 1893, from which I have already quoted, I wrote as follows: "In ascertaining, with a view to an efficient and regular administration of the settlement reserves, how they are occupied, what area is leased, and what portions of the unleased lands must be allotted to the Natives for the purposes of their own residence and cultivation, several persons have been found to be in unlawful occupation under some direct agreement or arrangement with one or more of the Native owners. In some cases the terms of the occupation have been a regular payment of money by way of rent, in others the improvement of the land. Where money has been paid, there is reason to believe that the amount in some cases has not been distributed, or fairly distributed, among the Native owners, though in a few instances these unlawful occupations exist on terms which do not appear, so far as can be gathered, to be inequitable. The occupations which are described as unlawful were no more so under the Act of 1892 than under the Acts which it repealed. The provisions of the Act of 1892 are, however, such that the reserves not occupied by the Natives themselves can now be leased on terms more satisfactory to the Natives than formerly, and the inquiry and inspection necessary to carrying out the provisions of the Act have, as a natural consequence, disclosed the cases of unlawful occupation. The ejectment of these trespassers will be distressing to a few of them, but any consideration shown to them not authorised by the law, or any proposal for legislation to give them a right to continue in occupation, or to grant a compensation, would be fraught with the obvious objection that the consequences, which would be far-reaching, cannot all be foreseen, and that among these consequences would be the risk of the recurrence of difficulties such as those which have only just been removed by the Act of last session, and which alienated the confidence of the Natives, retarded settlement, and entailed for many years great losses on both races of the people. The trespassers have each received a notice to quit at once, but I have, in every case where immediate removal would entail a severe loss in the transfer or disposal of stock, or reaping of crops, allowed the occupation to continue for a few months; and there may be a case where a tenancy from year to year, terminable by three months' notice on either side, may be desired by the occupier, and could be granted in the interest of the Native owners. The

rent, however, in such cases would not be less than 5 per cent. on the improved value of the land, and the tenancy would be a precarious one, for it would be terminable in accordance with its conditions as soon as, in the interests of the Natives, it might be thought desirable to offer the land to public competition by tender." This was written before the proceedings were taken in the trespass case, and before any trouble arose. That report shows that I was taking the proper course, and giving notice of my intention before I leased these lands. If I had not taken that course, and had treated the trespassers as having a right of occupation, I would have had trespassers over the whole of the reserves, and would not have been able to lease any of it. Just after the session of 1893, or towards the end of it, the Government had under their consideration a proposal from Mr. McGuire that the improvements of these trespassers should be granted to them, and the Government were, I think, disposed to legislate for that purpose. I pointed out that the difficulty would be that the Government would have to pay the Natives for the value of any improvements given to the trespassers; that these improvements belonged to the Natives by the law, and that I must have the value of these improvements for the estate of the Natives before I could allow that value to the trespassers. I heard nothing more of the matter. The law would not have justified a compensation for improvements without the money, even on a promise that legislation would be proposed.

I will now give the important points in connection with McCullum's case. I have stated that the notice, of which I have furnished a copy, was published not only in the *Gazette*, but also in the papers circulating in the district. McCullum and other trespassers met me at Rahotu at the end of March, 1893, when I stated that, though the general notice to trespassers had been issued, I would ascertain how far I could meet the trespassers under the authority to grant a year to year tenancy given by section 12 of the Act. As the trespassers were discovered they were each given a separate notice, in addition to the notice published in the *Gazette*, to quit by a date mentioned in the notice, and McCullum was thus given notice on the 17th April, 1893, to quit by the 1st August following. McCullum afterwards met me in the Public Trust Office, and in the presence of several persons then in Wellington, including Mr. McGuire, refused to take a year to year tenancy at a rental computed on the value of the land with the improvements. He refused to entertain any proposal which involved the payment by him of a rent computed on the value of improvements. There was no offer of £30 a year ever made to me. The first I heard of that was in Elwin's evidence. Mr. F. M. Chapman, J.P., of Rahotu, was one of the trespassers who, in company with McCullum, met the Trustee at the end of March, 1893, and to Mr. Chapman the Public Trustee wrote on the 10th June, before McCullum came to Wellington, as follows:—

"I find that my authority to let reserves on a tenancy from year to year, terminable by three months' notice on either side, would enable me to let to you on such a tenancy land which it would be to the interest of the Native owners to be so let. But such a tenancy would give you no right to the permanent occupation of the land, and would be one which I could determine by three months' notice whenever I might think fit, or the interests of the Native owners might require me to do so, while the rent, which would, of course, have to be paid to me, could not be less than 5 per cent. on the value of the land with improvements. I shall be glad to know whether you desire this precarious tenancy; but, in any case, I ought to state clearly that I should not be justified in holding out to you any hope that you can secure a more permanent tenancy of any unleased land otherwise than as the highest bidder in public competition by tender."

This is given as showing what would be the tenor of the proposal which would be made to McCullum. McCullum's occupation is alleged by him to have been by virtue of some agreement with the Native owners, who, as the life tenants of the property, were and are entitled to the income, but have no authority to grant tenancies. But I now doubt his statements. McCullum placed upon the land improvements comprising buildings of considerable value—buildings insured for £100, and estimated to be worth at the least over £200. The Public Trustee estimated them to be worth at the least £300. I have here a letter which was sent to me the other day. It came quite accidentally, and is from W. Harvey, of Rahotu. Mr. Harvey says: "I beg to call your attention to the fact that a petition is being got up round this district against the management of the Native lands, that very much has been made of the fact that one McCullum was turned off a Native section; but nothing has been said of the other side. First, McCullum's business as a site was much better after he had left the Native land; second, McCullum stated in Court at New Plymouth that, at an auction sale held on his premises after removal, the best offer he had was £50 (as published in the papers here) for his business premises, whereas at the auction Mr. Simeon started the bidding at £50. I said, 'I will give you £100.' No one bid against me, and the property was passed in, the reserve being considerably over £200. Shortly after I bought the property at £200 cash, McCullum to have the use of the stable on the property in conjunction with me free of charge for three years. Thus showing the property is worth more than £200, and not £50, as stated." McCullum took steps to remove the buildings, and I received telegrams from the Natives, including the Native owner of the property, reporting that the removal was about to take place. McCullum removed the buildings, and proceedings were taken by me for recovery from McCullum of the capital amount which was thus lost to the land, and on which the trust had a right to income for the Native owners. A Taranaki newspaper report of the case states that Judge Connolly declared that the action should not have been brought, for that the case was one that might have been dealt with under section 12, subsection (5), of the Act. The proceedings for recovery succeeded, though the amount recovered was so small that the Court virtually sanctioned the act of McCullum, and deprived the Natives even of the £25—their property. Section 12 would not have justified the Public Trustee in granting a year to year tenancy to a trespasser at a rental computed otherwise than on the value of the land with the improvements. The condition "reasonable rent" means a rental on the improved value, and I could not recognise a trespasser as having any right to have, in a yearly tenancy, exemption from rental on account of improvements made by him upon the land of which he was the unlawful occupier. I would have been chargeable with a breach of trust for granting the tenancy at a rental which allowed the tres-

passer his improvements, and would not have been justified in allowing a year to year tenancy to continue longer than the property could not clearly be let to better advantage by tender, or to another year to year tenant who would give more rent. The Judge's charge to the jury teems with assumptions against the Public Trustee, who was proceeding strictly within his rights, and with assumption especially with respect to his conclusions that no attempt was made to come to terms with McCullum. Assumption should always be in favour of the party who is acknowledged to be proceeding within his rights. His statement that Rennell personally told McCullum that he would not interfere because the rent was satisfactory to Mr. Rennell and the Natives is without foundation. The Judge's decision not to allow costs was arbitrary beyond all precedent, where, in a case like this, the plaintiff obtained more than nominal damages, and was proceeding, even as the Judge himself repeatedly declared, strictly within his rights. The Judge would have been wrong, even if the Public Trustee had refused to grant a yearly tenancy, to allow the consideration of such a contingency to influence the charge to the jury, or to be made a ground for the refusal to grant costs. The Judge appears throughout the proceedings to have regarded the property as belonging to and administered by the Government, instead of as property belonging to and administered by a trustee for private persons, who happen to be Natives; and the result of such a charge to the jury, and the refusal to allow costs, must be to place a trustee, in dealing with a trespasser on the property of his trust, in a position in which the trustee cannot eject the trespasser without loss to himself, or allow the trespasser to remain and destroy the property without subjecting himself to a charge of breach of trust. The result of such conduct in a Judge must occasion a general fear that to place a property in trust is to expose it to destruction, and to frighten trustees generally that they can do no right. All the time the Government were disposed to do something in the direction of giving these trespassers their improvements, and this case was laid before the Attorney-General. The following is his memorandum on the subject: [Appendix E]. Now, although notice was given to McCullum, with other trespassers, he had not been disturbed. He, himself, first took the step which compelled me to take proceedings. I did not intend to remove this man until I felt I was required to do so in the interests of the trust for the purpose of leasing the land under the Act of 1892. He took the law into his own hands. He set about removing these buildings, and he actually had removed them before I became aware that he had done so. The Native owner of the land telegraphed to me that McCullum was doing so, and requested me to take proceedings to prevent him. I should not have been justified in doing nothing, or, rather, in not taking proceedings. It may be my duty in this case to myself petition, in the interests of the Natives, for compensation for the loss which they have suffered through an appeal by their trustee to the Courts for the protection of their property in the improvements which the Judge himself admitted to belong of right to the Natives. If the property had not belonged to Natives, the case would have produced a great outcry through the whole colony. There were articles in the newspapers here and in other parts of the colony which are almost too strong to quote. I will quote a few words from one: "It appears that a number of men have been squatting on Maori reserves for years without any legal right to do so, and, after being allowed the option of taking up a legal lease under the Act of 1892, which was declined, it naturally followed that the Public Trustee had to take legal steps to protect the interests of the Native owners. Had he done otherwise he would have been unfit for the responsible position he holds. We admit that it is hard for a man to spend money and labour in improving some one else's property without compensation, but that is the law, and until it is made legal for every man to take possession of whatever he fancies it is idle to abuse a public officer for carrying out the law." I will conclude with the remark that in this case the Supreme Court seems to me to have been, accidentally or otherwise, an instrument of wrong to the Natives. I think that the very extremity of the wrong may prevent any such wrong in the future. I would not make any improper reflection on the Courts, but Courts in the past have been sometimes instruments of wrong. Macauley speaks of "the guilt of making the institutions to which it is desirable that the public should look with respect and confidence instruments of frightful wrong, and objects of general distrust. The pain of an ordinary assassination"—I forget the rest.

149. *The Chairman.*] Are we then to gather from what you say that the decision of the Court was against your administration?—It was that I was in this case of McCullum injuring the settler. The Judge said that I should have arranged the subdivision of the reserves to provide for these trespassers; but in Wellington, at the Court of Appeal, his judgment was, as I quoted, to the effect that the Trustee should have exercised his discretion in the interest of the Native owners.

150. The Appeal Court upheld the Judge's decision?—I had no means of coming to appeal. The Native lost his property. Of course, when I speak in this way, I do so from a feeling that the Supreme Court has accidentally, or through mistaken notions, been the agent of a great wrong to the Native owners. As to the conduct, however, of Mr. Justice Connolly, I only want the world to know the facts, so that every one may judge for himself.

151. *Mr. Hall.*] Are there any trespassers on this land now?—I think there are a few. I know that there is one.

152. What position is he in?—He is in illegal occupation; and, as soon as I find I can, in the interests of the Natives, lease the land he occupies, I will give him notice to remove; and if he does not remove I will have to eject him.

153. You say the Government were disposed to bring in legislation whereby these trespassers should obtain some relief, and I understood you to say that, even if they did so, you would not consider that legislation to be binding on you?—I should obey the law. I said I could not give away the property of the Natives. The Government would have to pay me the value which they desired to allow. It was the property solely of the Natives, and I could not give it to the trespassers. Retrospective legislation would have been necessary to give the property belonging to the Natives to the private persons, who were trespassers; and, unless I had got the money, I would not have been justified in parting with the property.

154. In administering your public trust, are you not guided by the desire to do justice in the interests of the tenant as well as of the rental?—No. I cannot consider the interests of the tenant. They are conflicting interests. No private trustee would be justified in considering the interests of the tenant except so far as what would be best in the interest of the trust.

155. Do you not consider that, if you were to make a compromise whereby tenants could be kept upon the land, pay their rents, and keep the land occupied, you would eventually be acting more in the interests of the Natives than by exacting enormous rents, and surrounding it with conditions that will drive them away?—This is private property, and if a person comes and settles on it unknown to me I cannot give him any rights. If you make that applicable to European private property, then you will see where the difficulty arises; but any such proposal, however, should be made not to apply to this special private property, but to all property of all people and classes.

156. Are you not actually acting as landlord?—Yes.

157. Well, do you mean to tell me that a landlord has no power to remit rents?—Not if he is a trustee.

158. And it is on this that you take up your stand?—On the law regulating the action of a trustee. I would have to restore the property or whatever damages the law gave, and the Government would have to pay it out of the Consolidated Fund.

159. Would no law that would obviate this be beneficial?—You would have to apply it to the private property of every person.

160. I mean that anything that would alter the conditions of the Public Trust, that would make it less strict—would that be beneficial?—No, I do not think so.

161. You say it would interfere with the rights of private property. Is it not a fact that legislation has been brought in already which practically does that?—If you make a general law throughout the colony for fair rent, without respect to persons or race, that is another thing. But this is one class of property, belonging to one portion of one race.

162. The object of this petition is to change the trust of these lands from the Public Trust Office to the Land Board. Is it your opinion that you have an adequate knowledge of the land and its value that will enable you to administer it fairly satisfactorily to both parties—that is, as satisfactory as any other Board?—I administer it as a private person with satisfaction to the trust, and, as to the administration, I have quoted what I have done. I think it is an extraordinary result.

163. *Mr. Green.*] It is not clear to my mind the position you take up in reference to the payment of rates. Do I understand you to say that you have paid rates on some lands and have refused to pay them on others?—I cannot recollect whether I have paid rates or not; but I said I would not pay rates, and would not be justified in paying rates, if I could escape paying them.

164. Has any action been taken: have you not been summoned by any of these local bodies?—No. It is a matter between two private parties which the law alone can settle.

165. I cannot understand any local body, any private individual, to refuse to pay rates?—The law has only recently passed under which the local bodies claim the right to rate Native lands.

166. When you take up the position of being a trustee for this land, I quite agree with you; but I want to be quite clear about the position you take up as a Native owner?—I take up the position of a trustee. These rates, I contend, cannot be levied upon me. They cannot be levied on me as the private owner of this land. The land was Native land originally.

167. You say that you are afraid that the local bodies, by their rates, might confiscate the lands. If you are only a trustee, and this rate has been legally struck, and you are summoned for it, supposing the property were confiscated, what about that?—That is the question. I did not raise any objection to proceedings in the Courts of law. This is not the proper tribunal at all to consider that question.

168. I want to know whether you are administering this as a trustee would administer an European estate, or whether there is anything in the law expecting you to administer this as a Native trust, and still keep this Native land?—It was vested in me, and practically became my property—the property of the Public Trustee. But there was in the Act by which the land was vested in me this section 28: “Nothing in this Act contained shall render reserves subject to any tax or rate to which the same was not subject at the time this Act comes into operation.”

169. *The Chairman.*] That provision practically left the property exempt from rates?—The Act throughout was a compromise. It validated that wrong said to have been done by the reduction of rents.

170. The Act that was put through the House last night will apply?—That Act will, I understand, make me liable; but how rates are to be got out of Native lands for which there would be no money available except by alienation is a difficulty yet to be settled. Whether a Native reserve is to be alienated for rates is a question for the Government to consider.

171. *Mr. Green.*] That clause you have read is what you lean on?—Yes, as protecting the land from being rateable as the consequence of vesting it in me.

172. *Mr. Duncan.*] Is there any suggestion, Mr. Warburton, that you will be prepared to make with regard to any alteration in the law that you administer this property under? Do you see no hardship in the law that prevents you from dealing with it?—No; I can see no grounds for alteration except in the opposite direction to which the petitioners go. So long as the law remains as it is, I must give no more concessions to settlement than an ordinary trustee of private property would give. It authorises me to offer land to public tender, requires me to accept the highest tender, and gives me authority to grant new leases—tantamount to requiring me to grant new leases. In many cases I have granted new leases in substitution of old leases at a lower rental than the old leases. That is a large concession.

173. With regard to the valuations. You took those of a gentleman named Jones, from Wanganui, who, with a Native, made a valuation of the land. You look upon them as suitable men to make the valuations. Is that from a Native point of view, or from an equitable point of

view?—The Native sent with Jones was sent simply to give confidence to the general body of Natives. They had been so imposed upon in the past. It was prudent; they might otherwise have resisted my administration. I wanted to show them that everything would be open. This Native communicated everything to them, and satisfied them.

174. With regard to this advertisement calling a meeting of lessees and Natives with regard to the fixing of the rent: how does that work?—I may say that that is largely a matter of form, for I have complete control of the position. I communicate to the lessees and to the Natives the value of the land without the improvements, according to my estimate, against which there is no appeal.

175. What do you consider the meeting is called for really?—Take many of these cases where the rental has been fixed. The lessee is paying £50 a year, the 5 per cent. on the value which I fixed upon the land without improvements will show that the rental should be £100 a year. As the lessee is paying £50 a year for twenty or twenty-one years, an agreement between the lessee and the Native owners for anything over £50 a year I should, of course, approve, in the interest of the trust, because I know the lessee could go back for those twenty or twenty-one years upon his lease of £50. He does not surrender the old lease until he gets the new one, and as the perpetual lease is very much more valuable than the old one of twenty-one years or thirty years, the lessee might consent to accept a lease without any condition as to improvements with a slight addition of rental.

176. You are prepared to give a perpetual lease if they agree to it?—With this reservation, that the agreement must be an improvement for the Natives.

177. Is it more with regard to coming under that extended lease that you give the notice, or, rather, that you call the meeting?—Yes. It was to bring all these old irregular leases into order. Many of the lessees under the old leases have such favourable conditions that they do not apply for the new leases. Elwin has a very good lease, and should stick to it.

178. What I cannot see is the necessity for calling this meeting and charging the lessees with the cost if it is to be of no value of them. You give notice of what the value is before they come together. You invite them to go, and charge them with the cost of the meeting, and tell them in the same notice that you have fixed the rent at a certain sum?—That is required by law.

179. Do you not think the law should be altered in that?—The time is past. The lessees were only given twelve months to apply for a new lease. The time ended some time in 1893.

180. That law, then, is not in operation now?—No.

181. *The Chairman.*] It appears to me that the real cause of the grievance of these settlers is, first, as regards the non-payment of the rates, and as regards the valuations. Now, I am quite satisfied from what you have stated that in refusing to pay rates you have acted strictly within the law; but, as trustee for this property, do you not think that you are placing the settlers in a very unfair position by not paying rates on the land which is not in the occupation of the Natives. Supposing that this land was your own, and that you were not the trustee, would you not, as owner of that land, act differently to these tenants to what you are doing now to them? Do you not think you would consider it to be your duty to pay rates from the moneys you had in hand?—You cannot compare what a trustee ought to do with what an owner might do. The trustee must consider what the law authorises him to do.

182. Would you not act differently if you were the real owner of this land?—If I were not compelled by law to pay these rates it is a question whether I would if I was a private owner. But if you asked me if it was reasonable that these lands should pay rates I should say this: that, where a large block of land is producing income, a portion of that income might reasonably go towards a contribution to the rates; but we must not sweep in the whole country for rates, whether it is producing income or not, when the only alternative can be alienation or payment from the Consolidated Fund. There must be some regard to the proceeds of the land.

183. But if it is not producing income is it not the fault of the Natives? If you had not leased the land, and simply left it lying idle, is it not your fault?—Yes; but we must consider the circumstances of the case. If the Natives could have known that liability after liability was to have been placed on them, I could not have disposed of 40,000 acres of land.

184. By your paying rates on this unoccupied land, with a view of helping to road it, it would be improving it, and the Natives would not lose by it?—I would have to consider every case on its merits; I would have to consider whether by such contribution I would improve the Native estate. I do not know but I should make a contribution, perhaps, of any kind that would certainly improve the estate, whether the law allowed it or not, if by so doing I should improve the property and increase the income of the estate.

185. Dealing with the question of valuations, which I consider the most serious objection in the petition, you have employed Mr. Jones as valuer. You accept his valuation whether it is too low or too high?—No.

186. You have confidence in his judgment, and accept his valuations?—I know the value of the land there myself.

187. Mr. Jones is an insurance agent, I understand, and has been living all his life in cities. Where has he got his experience as a land-valuer?—He has been employed by lending Boards as a valuer. He has travelled through this land in question as an insurance agent. He was an auctioneer and commission agent of very great repute in Auckland. In Wanganui he does a large amount of business as a land agent, and he is a trustee to a large extent of private property.

188. Has he ever had any large transactions in land to enable him to get experience?—I think so. I referred to Mr. Ballance before I appointed him, and Mr. Ballance said there was no more reliable man in his opinion in the colony.

189. I have no doubt Mr. Jones is a very able man as far as business goes?—No; in this work of valuing the leaseholds Mr. Ballance especially approved of my selection of Mr. Jones.

190. I think it is unfortunate that, in selecting a valuer to value a block of land like this, a city man who has had, as far as we can see, very little experience in this land should have been

chosen, instead of a man who has had experience in the management or cultivation of land?—I can prove him by his works. I have taken the case of Elwin's property, and proved it to within a few pounds.

191. One values Elwin's property at £1,901, and the other at £1,902—just £1 between the two values. Now, I do not want to say anything disrespectful of these two gentlemen, but it looks as if there was collusion between them—as if the man who valued last knew that he was going to value property which had been previously valued by Mr. Jones, and considered that it was advisable to keep as near that valuation as possible. It is impossible for two men, however experienced valuers they may be, to value one property to within a couple of pounds of each other's valuation?—The valuation of Jones was made in 1893, that of Shaw the other day. In every case I have offered to put Jones's values to the test of the market. It is difficult for me to see any collusion in two valuations over a period of two years, though within £2 of each other. If you knew either Shaw or Jones you would not hazard the insinuation. Jones's value was £2,160 and Shaw's valuation was £1,902. I telegraphed to Mr. Hislop on Saturday, asking him what the fall was, and he replied that it was from 10 to 15 per cent. I took it at a $\frac{1}{2}$ per cent. below the mean, and this brings the estimate of Mr. Jones to within £1 of Mr. Shaw's. I do not think, whatever inquiry may be made into this matter, that it will be found that they have had any communication with each other on the subject. I have put Jones's values to the test right through the district by the market values.

192. *Mr. Duncan.*] Has there been any sales of property in the district that will bear that out?—I am leasing property every day. I have leased land such as Elwin's was when he took it up lately. Elwin's land would fetch very much more than 4s. per acre.

193. You have heard of people giving too much for land?—Yes.

194. *The Chairman.*] When those valuations were made, were the tenants or occupiers notified of them before they agreed to take the leases?—Yes. In the notice which I sent to the lessee of the meeting with the Natives I gave notice of the value of the land without the improvements.

195. Then the lessee knows the valuation of the land before he agrees to take the lease?—It may be subject to any agreement between the Natives and himself.

196. *Mr. Green.*] Notwithstanding the fact that the rent has been fixed, do you mean that you will, after this meeting, agree to any alteration?—I will not agree to a lower rent than 5 per cent. on the value which I put on the land, unless it is of only a trifling amount, or unless anything below that will be an increase on what the lessee is already paying. I will take care that I will go to nothing below 5 per cent. on the valuation, except in the interests of the Natives.

197. *The Chairman.*] In reference to the insurance. You insist in having all the insurance in your name. Do you not think that is putting the occupiers in an unfair position in this way: that it prevents them from raising any money to assist them in carrying on operations if they require it?—They are getting money on mortgage every day. Some of the land is mortgaged twice. I determine in the interests of the Natives.

198. You have already told the Committee, that you have no other interests to consider?—Yes; and, as any party to an insurance can require that insurance money to be applied to the reconstruction of destroyed property, it does not matter who holds the insurance policy. The mortgagee has only to give notice to the insurance company to be quite safe.

199. *Mr. Mackintosh.*] About the rental on improvements: who made the improvements in these cases?—Under the proposal for a new lease the rental has to be fixed on the value of the land without the improvements, but, as the lessee is entitled to not more than £5 per acre for improvements, anything in excess of that he must pay me for.

200. Has a lessee to pay rental on improvements made by himself?—If you are speaking of trespassers—

201. I want to know exactly, when this valuation was made, had the lessee any voice in the matter at all?—There was no appeal from my valuation. I would say, as a private owner or trustee would say: "These are my terms for the land; you can take it or leave it. I will keep you to the terms of your contract, and I will keep mine."

202. *Mr. Hall.*] Do you administer this land for the Natives as a whole or individually?—Every Native owner of this land has a share, but not a joint or common share, of the whole reserves. The reserves consist of several Crown grants, and the apportionment of the proceeds of these grants is given to the persons named in the grants in accordance with their proportion of interest. Some of these grants comprise land which is not leased at all, and there this difficulty of paying rates arises.

203. You administer them as a whole?—Yes; but I have to keep a separate account of each grant, and make a separate payment to each Native according to his share in that grant.

204. Do you not think that a Fair Rent Bill can be applied with equity to this land?—Not specially to this. I have no opinion on a Fair Rent Bill; but, if a Fair Rent Bill be brought in, it should not be applied to one person or class or race, it should be for the whole colony.

205. Is it your opinion that, as trustee, it would relieve you of some of the difficulties you have?—I would not here like to offer an opinion on a Fair Rent Bill. I should save the private property for which I am trustee from any encroachment whatever.

206. I want to ask you if, in your opinion, your duty as trustee has in some things made it a hardship to the tenant of the land?—I am a machine for securing to the owners of the property and the estates that I administer all that I can secure without regard to the feelings or sufferings of any tenants.

207. Supposing the Government were to introduce a Bill whereby the matter of fair rents could be referred to particular consideration, do you not think that sometimes it would apply to people whose lands you are administering?—I say that a Fair Rent Bill should apply to the colony as a whole if it applies at all; but I presume that a Fair Rent Bill would provide for an increase of rent as well as for a reduction of rent.

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

5 per cent. the ground rental would amount to £277 13s.—that is, 5 per cent on the capital value—and the value of the improvements would, at 6 per cent., produce £56 8s. 7d., bringing it to £334 1s. 7d.

221. Do the improvements belong to the Natives in that case?—Yes. That would make £334 1s. 7d. Taking off 12 per cent. for depreciation, the result would be £294. The land was cut up, and brought £294 1s. 8d. by tender.

222. *Mr. McGuire.*] What was the expense of cutting it up?—Everything included, about £90. If you allow for ordinary depreciation in values and the condition of the place, for it was exhausted, that is another case where Jones is proved to have been very close indeed. Now, I leased a piece of ground by public tender next to Mr. Allan Bell's property. It was poorer land than his, and I put on it an upset rent of 2s. 6d. an acre. This is in the neighbourhood of Mr. Elwin's land. The result of the tendering was an offer of a little over 5s. an acre. I can go right through reserves in that way for the purpose of testing Mr. Jones. I went over much of the land with Jones before I appointed him to see what his estimates were likely to be, and I concluded that he was a capable and reliable man.

223. What has come of the unfortunate man Hobbs and the Wilson Brothers? Have they been able to remain on this land?—No; they could not pay the rent. Hobbs is in debt to the estate some £200 or £300 for rent.

224. *The Chairman.*] I would like to ask you, do you consider it is a wise policy for you, as trustee for the Natives, to endeavour to exact the highest rent that you can get from settlers? Do you think it a wise policy in the interest of the owners? In this way: A tenant may be very anxious to get a place, and he may go to you and offer a rent for a farm of this kind, believing he can make that rent. After occupying it for a year or two, he finds that the farm is not worth it; and, finding it impossible to carry out the conditions of the lease, he takes everything he can out of that land for a couple of years. He makes no improvements, but takes every sixpence out of the land, and then throws it on your hands again. Is it a wise policy to put the tenants in that position?—But I am trustee for a private property.

225. Yes; but you have all the powers of a private owner?—I might not be justified in doing that. Take the case mentioned by Mr. McGuire of a man who could not pay his rent, but went away of his own accord.

226. Did you lose their money?—I have got nearly all the money from one; the other has not been worth suing. I will follow him. It is my duty to get the money, and I should not be justified, unless he cannot pay, in writing off the debt.

227. *Mr. Duncan.*] Do you find the properties are as good when the tenants leave them as when they took them up?—I acknowledge that during the last year of a limited tenancy, when the lessee finds he must quit, the property depreciates. I would not be justified in considering the lessee or the tenant as a private owner might.

228. *The Chairman.*] What I wanted to bring under your notice was this: If I was acting as trustee I would endeavour to place the tenants on that land at what I considered a fair living rent—that is, a rental that these people could afford to pay, and, at the same time, get a comfortable living out of the land, and by that means do justice to the owners?—Yes; but if I was trustee for your estate the beneficiaries would, perhaps, take me to task for accepting such rents while I could have got higher.

229. *Mr. Duncan.*] They could not attack you successfully?—As the law stands they would in this way: They would say that sales of land the market shows that you could have got a higher rental; and the matter would have been left to a Judge and jury.

230. *The Chairman.*] It is the experience of every man who is the owner of land, and who has been in the habit of leasing it, that if he exacts the highest legitimate rent he is the loser in the long run; the tenant either fails to pay the rent, or he makes no improvements, and takes all from the land that it can possibly give, and you have to let the land at so much lower rental next term?—The only way by which a private trustee, as I am practically, can justify himself is by going to the market. It is only the market value of the land which he is justified in accepting. Eminent authorities in England lately have been urging that a private trustee should be protected from the consequences of such a *bonâ fide* administration in the interests of the estate as an owner might reasonably be expected to adopt, but the law at present is very strict with trustees; and it would never do to make any such law with special application to one property.

231. *Mr. Lang.*] As far as I understood you, one of these properties that had been given up actually brought more than you were getting for it in the first instance?—Yes.

232. *Mr. Wells.*] After accepting the surrender of Wray's lease, and having the new valuation made, did you give her the opportunity of taking back the old lease instead of taking up the new one?—The surrender having been made and completed, there was no power to give back the old one.

233. Why did you give me back mine?—You had not surrendered yours. One had been surrendered and registered; yours was only in my hands, and was not surrendered. If you had accepted the new lease, as Mrs. Wray did, I should have asked you to surrender your old lease. You had not gone so far as that; you had not gone so far as Mrs. Wray had.

234. Why did you not tell Mrs. Wray that she need not accept the new lease?—It is impossible for me to say. I would suppose that every lessee understood that he had the option of taking the new lease or leaving it. The delay in making the valuation is of course a matter for judgment on a consideration of the interests of the estate. I am administering the estate for the Natives. If I do anything wrong, if any of these tenants think they have any rights as against me, they can pursue me in the ordinary course. I am prepared to defend every act of mine.

235. *The Chairman.*] Our duty is more to inquire into the equity of the claim than on points of law raised?—It is, I submit, beyond the province of the Committee to inquire into the right or wrong of my acts.

236. You are administering the estate according to law as far as you believe?—Yes.

237. It will be for this Committee to say whether or not the law should, in their opinion, be altered?—I quite agree with that view. I would, however, say that if, in the interests of the colony and of settlement, encroachment on the present rights of private owners of land is expedient, such encroachment should not begin with one private property, or with the private property of these Natives. It should be general, and apply to the whole colony without respect to persons, classes, or races.

238. *Mr. Lang.*] In connection with that case I mentioned before. When Hobbs gave up the property he was paying a rent of £146, and you relet it for £179. When did Hobbs give it up, and when did the new tenant take it over?—Hobbs gave it up about two months ago, and it was relet on the 16th of this month.

239. *The Chairman.*] How long had it been unoccupied?—About three months. The rent was not paid. Hobbs could not pay, and I told him he would have to go. He accepted that alternative, and he left.

240. *Mr. McGuire.*] This man Hobbs brought £1,200 to that lease, and he worked hard, and it is all gone?—He had it at a very cheap rent. One remark more about the administration of the Land Boards. That is an administration in the interests of settlement, and the valuation of the Crown Lands Rangers are made with every consideration for settlement, and would not be satisfactory to a trustee exercising his discretion in the interests of the private owners of property. The reductions of rentals on the valuation of Mr. Robinson, the Crown Lands Ranger, were reductions on valuations made by a valuer whose motive would be the relief of the settlers, not to find a justification to the Trustee for imposing such a loss as £3,000 a year on the Native owners. Mr. Robinson, in his position, is expected to go in the opposite direction to that in which the Trustee should go. I am not finding fault with Mr. Robinson's valuations, except that they would be in the interests of settlement; but I could not accept valuations on that principle. They would open me to attack.

241. *The Chairman.*] Of course, I can quite understand the position you are placed in as far as the law is concerned; but I have no doubt that the intention of the Legislature was that those lands should have been administered on the same lines as if they were Crown lands, with reasonable rentals, and that there should have been nothing in the shape of rack-renting merely for the interest of the Native owners?—I can hardly agree with that view. The Court of Appeal decided that the property was a property to be administered by the Trustee in the interest of the beneficiaries. If disputes and difficulties had not arisen to require a compromise, the Act of 1892 would have set up a more simple trust, giving the Trustee authority to exercise more of the discretion of a private trustee of private property.

242. *Mr. Wells.*] In your evidence yesterday you said that my rent would have been £80 per year, and that you would have accepted £80 a year, as I had been paying £72 previously. In the notice you forwarded to me *re* my meeting with the Native owners one month previous to the meeting taking place you gave me a rental which came to £120 a year. You put a value of £2,406 15s. on the land, on which I was to have paid 5 per cent. Yet you stated yesterday that you would have accepted £80. In my correspondence, did I not show you where I had spent £500 in buildings on that land?—You had nothing to pay me for improvements.

243. I paid £611 11s. for improvements?—Whatever your improvements amounted to in value they would not amount to £5 per acre, and they would all go to yourself.

244. You had no knowledge whatsoever why Woolridge gave 5s. 1d. per acre?—No.

245. Mr. Bell offered you 5s. for the same section?—Probably he did. I do not recollect what the amount was.

246. Did you not know that he wanted the water-rights to carry on his dairy?—Yes.

247. He wrote you so?—Yes.

248. You stated before the Committee that the valuer got three guineas for this valuation, and that he had to travel a certain distance in order to make the valuation. Did not I inform you by letter that he and the half-caste earned nine guineas in that one afternoon?—I do not recollect the particulars of your letter, but you may have done so.

249. Do you think that it was right for one person to take that for one afternoon's work?—There was proper economy.

250. Do you think it is possible for one man, after 1 o'clock, to go over a farm of 400 acres, then walk a mile and go over a farm of 500 acres, and then walk another mile and go over another farm of 500 acres? Is it possible for a man to do that and carry out his work of valuation properly?—I do not know of these matters. All that I care is that the valuation may be one which I am justified in adopting.

251. Mr. Bell has obtained a new lease?—Yes.

252. What is his figure per acre?—He pays a little more for his new lease than he did for his old.

253. What is the figure for the new lease?—About 3s. 3d. per acre.

254. Mr. Stevenson has also obtained a new lease, has he not?—I cannot recollect.

255. You have made remarks about the insurance business, that the buildings should be insured. These buildings are the property of the tenants, are they not?—Up to £5 per acre.

256. My buildings are my property?—Yes; up to £5 per acre, according to your lease.

257. Why do you demand from me to insure the buildings in your name, and send you the papers?—I decide in the interests of the Natives that the insurance should be in my name. Any party to an insurance can require that the insurance money should be applied to the restoration of the property.

258. Do not you know that if I was to insure my buildings in my own name, and the buildings were to be burned down, the company could either give me the money, or reinstate the buildings, as they thought proper?—Not if I gave notice that I required it to be applied to reconstruction.

259. Why?—Because I am lessor on behalf of the Natives.

260. You state that all the land in your block is first-class land. Mine is about the best, and I have 502½ acres, and all I can carry is 150 head of cattle, for which I pay £70 a year in rent, £20 in taxes, besides all the money I have spent on it. Do you call that first-class land? Do you not think that that £3,000 that was lost to the Natives was necessary to keep the settlers on the land?—I do not think so.

261. Was it not a fact that many of them had not and could not pay their rents, some of them being two years in arrears?—Some of them may not have paid their rents. There were no steps taken to ascertain whether they could pay them.

262. Have you had only one complaint, or several, about Mr. Jones as a valuer?—I have had several complaints that Mr. Jones is not a competent man, but I have offered to prove his competency by the market.

263. Have not those objectors offered you or any other party to employ a practical man and compare values?—It is entirely at my discretion. I am quite satisfied with him. I would not be justified in going from him as long as he does not give too low a value.

264. You were very stringent yesterday on the trespassers, the persons who had obtained certain rights from the Natives and were living on the land. Do you not know that these trespassers paid rent to the Natives?—I do not know. I found them there, and gave them notice.

265. Were you not made aware of the fact that they were paying rent?—They told me; but I have never ascertained it for certain.

266. Would the rent-receipts convince you that they did pay?—I do not know that they would. These were trespassers who took the land with a knowledge of the law that the Trustee alone could issue leases. They squatted on the land at their own risk. They may have paid rent, but they were in illegal occupation.

267. They paid local rates also?—I do not know that they did so.

268. Mr. Luxton, who was one of your trespassers, was paying £60 a year to the Natives?—He was paying something, I know, according to report. In his case, the Natives themselves insisted on his leaving the land. I was making arrangements to give him a temporary tenancy, but the Natives insisted that he should go.

269. You say you have one trespasser left on the estate?—Yes.

270. What is his name?—I do not know his name. He is, I think, somewhere about Hawera. As soon as I come to use the land he will have to go.

271. This furze that I wrote to you about on Black's section: Why should he want so very many months to clear that section of furze when I told you I had spent £500 in doing the same thing?—I cannot answer that question. He is a Native owner, and has had notice. I am giving these Natives who have allowed their land to be overrun with furze notice that if they do not clear the land I will lease it, and I am gradually leasing it. I must be patient with these people. I am acting in their interests, and I am not going to do anything harsh with them.

272. Do you not know that Edward Black is now a tenant of yours?—Has he obtained a lease by public tender?

273. No; he has applied for it, and is to have it?—I do not know the case.

274. Do you know that Elman's land is covered with furze?—As soon as the lease is issued the Natives will be required to keep the land cleared. This land has been worse than waste land for years.

275. *Mr. Green.*] If once a Native takes a lease he will have to comply with the conditions?—Yes.

276. *Mr. Lang.*] At the present time he is one of the owners?—Yes. They propose to take up tenancies. They will pay every tax that the European would pay.

277. It is your duty to work the land in such a way as to get the most possible out of the land, irrespective of settlement purposes altogether?—Yes, exactly so.

278. *Mr. Wells.*] You said that you had leased 40,000 acres. Does that include the 14,000 advertised this month?—No; only 5,000 of that area. The last two days I have leased 500 acres more.

279. It is all bush land, and is cut up small?—Yes, from about 150 acres to 300 acres.

280. You said that you were making a 12ft. track. Are you doing that through the whole block, or only in one portion?—Not throughout the whole.

281. Only on one road-line?—On three roads, I think, at present.

282. On the Puniho Road you have 4,000 acres unlet, at the end of the road?—Yes.

283. Is it all ready for occupation?—It requires to be surveyed yet, and is generally inaccessible by road.

284. Have you leased some 1,700 acres at the lower end of that block?—Yes, about that area, I think.

285. Have not these men applied to you to make a road through that block?—Yes, and there is a petition now to the House of Representatives.

286. You have agreed so to do, have you not, under certain conditions?—I have offered to consider whether I could make the road if they would contribute the amount one way or another.

287. In that expenditure these 4,000 acres at the top of that road will largely benefit by every penny that is spent. Will that land contribute towards the cost?—It is not leased yet. It will hardly pay to lease that land.

288. Were you not told that Carter's son will take the lot if it is let?—I do not know.

289. *Mr. Green.*] Are you of opinion that you would obtain a higher rent, and a better class of settlers, by spending some money in opening up the roads before you lease the land?—I consider whether that course should be adopted in every case before I let the land. I have had it under consideration in connection with this particular land for the last eighteen months. It is a question, however, whether the land can be let with any benefit to the Native owners. I doubt if it will let

for more than 6d. per acre, while there would be a very large expenditure in making it accessible, and especially if I have to open the road through the lower part. If the settlers in the lower part will contribute towards the making or the cutting of a track through the lower part, then there might not result any loss from the leasing of the upper part.

290. Can you say whether this land we are now considering is the same block in which the people residing petitioned the House, and the petition was considered by the Public Petitions Committee?—Yes, the land is the same.

291. And the upper block is the one referred to that by making the road it would greatly benefit the settlers?—Yes. It was urged that by making this road I would help settlement in the upper portion.

292. You have that under consideration?—Yes. I have to be careful not to be led to do the work in the interests of the settlers of the lower block. If the expenditure will amount to so much that for ten or twelve years I shall receive nothing for the beneficiaries, I should be hardly justified in offering the land by tender.

293. *Mr. Duncan.*] Is there any Government land contiguous to this, or of a similar quality, that has been dealt with since this Native reserve has been set aside?—I do not know.

294. *Mr. McGuire.*] With reference to Bett's, did you issue a writ against this man in order to compel him to pay some hundreds of pounds over and above his valuation?—He was required by this new lease to pay a sum of money by which the value of his improvements exceeded the sum of £5 per acre. He undertook the obligation of the new lease, but refused to pay accordingly, and left me no course but to proceed against him.

295. Do you know the acreage of this land?—I do not recollect.

296. It is 30 or 40 acres of land; and you compelled this man to pay £136, which was over and above his improvements at £5 an acre?—Yes.

297. Were the improvements not his? Did not part of it consist of a nursery?—His lease only gave him the improvements up to £5 per acre. I will just explain about this lease. He had the lease for thirty years, of which ten years had run when I gave him a new lease. Under the new lease he had to pay £4 12s. 9d. less than he had to pay under the old lease.

298. Where is the £146?—That is the capital value, and he has to pay 6 per cent. on the amount.

299. Does that not show you clearly that the rents were oppressive, and that when the valuator for the Land Board in New Plymouth went over the land and reduced the rents it was not plunder after all?—There may have been exceptional cases of high rents.

300. Does this new lease terminate at the same time that the other would have terminated?—No, it is a perpetual lease. All the improvements will be the lessee's under the new lease, and the land will be revalued every twenty-one years without improvements.

301. In the case of Smith, who has less than 20 acres of land, and pays a rental of £17 per annum, he wishes to come under the new lease, and you want him to pay £148 for improvements. Is it not against the interests of everything that the man should have nothing for finance?—Mr. Smith took a lease by public tender, under which he agreed to pay for twenty-one years £16 5s. 6d. per annum, and the rent under the new lease was fixed at £6 4s., or a reduction of £10 1s. 6d. For the value of the improvements over £5 an acre I agreed to take a mortgage at 6 per cent., and that would have made his new rental less than the old. Then there was some trouble with his mortgagee, who would not allow him to give the first mortgage to the Trustee, and Mr. Smith had to go back to the old lease.

302. Will I read you his letter?—I have all the facts here.

303. I have his sworn testimony. [Testimony read. See letter, page 5].

304. *Mr. Green.*] He was precluded from taking this new lease because the mortgagee would not allow him?—Yes. In the case of Ellerms, the rental under his new lease, with 6 per cent. on the value, improvements to be paid for, would amount to £15 2s. 6d., and under the old lease he was paying £16 5s. 6d.

305. What justified you in saying that the valuator plundered the Natives of £3,000?—I said that the Natives lost about £3,000 by a reduction of rents payable under the leases.

306. *Mr. McGuire.*] Ellerms was paying just half of the £17 10s. under the old lease after the reduction?—He was paying £5 after the reduction. It was quite unjustifiable to break the contract. That was brought about by an interference with the Trustee's exercise of discretion on behalf of his beneficiaries.

307. *Mr. Hall.*] Do you not think it is a very arbitrary proceeding for a landlord to fix a new rental on his farms—and the tenant to have no appeal against it?—I am in the position of a private owner—or, rather, trustee for a private owner and I must exercise discretion in the interests of the estate. If there should be any appeal against the terms on which I offer the land my discretion would be transferred to valuers and arbitrators.

308. But I do not think you quite see what I am driving at—that these men are already in possession of this property, that this is their home, and they cannot very well forsake this property; and it is in the interest of settlement, as well as of the estate, that these settlers should be enabled to live on the estate, and pay a fair rent, and in the long-run be a greater benefit to the owners than they otherwise would be. Do you not think it is unfair that you, as a landlord, should have power to nominate a valuer, and that his valuation should be final?—Not as the law stands. I contend that I have the right to do as all private owners, or, rather, private trustees, do: they have the right to fix the valuation or terms without the right of appeal. It is impossible for a trustee to serve two interests—the interests of the owners and of settlement.

309. I am speaking about an alteration of the law. We have met here for the purpose of considering whether these estates cannot be better administered by another body. You do not think it is fair that they should have any appeal against your nomination of a valuer?—If I had a private property of, say, 6,000 or 10,000 acres of land, and you should insist on dictating the terms

on which I should grant you a lease, I should probably not grant a lease at all. I should say that as private owner I had an absolute right to fix my own terms.

310. *Mr. Lang.*] I understand that improvements on property are up to £5 the property of the tenant?—Yes, under the leases from the Public Trustee, before the Act of 1892 was passed.

311. If the tenant does not pay the rent, would you, as Trustee, have any claim on the buildings and properties?—I should take possession of his leasehold. All that I should get for the sale of the leasehold over and above the amount owing to the estate I would, of course, give to the lessee. He is entitled to that. I look to the insurance as a protection to the estate.

APPENDICES.

APPENDIX A.

Re Public Trustee Leases :—

1. That there should be an enlargement of the time in which to surrender.

2. To abolish the limit of £5 as the amount of protected improvements of lessees under Public Trustee leases. It is contended that, as no leases have as yet been issued in which the improvements are over £5, these are not cases in which there should be a vote on the estimates of amounts over £5, but for an amendment of the law that will permit of new leases issuing without the condition of payment by the lessees of the amount of the improvements over £5 per acre. No one has accepted a lease yet who has to be charged on their own improvements.

3. That there should be an amendment of the law by which it should be made lawful for the Public Trustee, if he think proper, to recognise agreements between Natives and holders of lands that have not been confirmed and were not capable of confirmation under the provisions of the Acts, such as Ross's case.

APPENDIX B.

Colonial Treasurer's Office, Wellington, 31st August, 1894.

SIR,—

West Coast Settlement Reserves.

After a careful consideration of the suggestions which Mr. George Hutchison, M.H.R., and yourself offer for amending "The West Coast Settlement Reserves Act, 1892," I beg to express my regret that I have been unable to arrive at any other conclusion than that the objections to the adoption of these suggestions generally are such that the necessary legislation would be impracticable.

The principle of the Act of 1892 is an administration of the reserves as a trust, in the interests not of the lessees or of settlement, but of the persons who are beneficially interested in the property. These persons, who happen to be Natives, have consequently the satisfaction of such an administration of their private property as they might, under all the circumstances, have expected if they were not Natives.

The legislation which preceded the Act of 1892 had been productive of nothing but dispute and difficulty, as the result of attempting to so vary the original contracts with the owners of the property as to subordinate the interests of the owners to the interests of the lessees. The lessees claimed that they had been accorded by legislation rights which the owners of the property declined to recognise; while the owners were not disposed to make the concessions which, in their own interests, the lessees expected. The Act of 1892 settled all these disputes by what was understood to be the compromise by which the lessee abandoned all claim to improvements to which the lease did not give a right, but was to be allowed a right to a new lease under the Act, at the discretion of the Public Trustee. But for the consideration of the claims which the lessees rested on the legislation prior to that of 1892 the lessees would not have been entitled to concession, and would not, probably, have obtained it. The Act of 1892 was thus a final settlement of all claims to special consideration in the interests rather of the lessees than of the estate; and any amendment of the law would consequently require to be justified by the interests of the estate.

1. Now, with regard to the suggestion to extend the time within which an application for a new lease may be made by the holder of a lease from the Public Trustee, the object of this extension appears to be in the interest of the lessees, to enable them to obtain an advantage in a reduced rent, or in a lease giving them the value of their improvements without limit. This proposal would not thus be consistent with the principle of the Act, or of the administration of a private trust estate. Until legislation provides for the adoption of regulations to secure, in the interests of the colony, a fair rent to tenants of private property generally, without respect to race, the tenants of Native trust-property should be required to strictly observe the contract of their leases. If the land which is the subject of the present proposal were not a trust property for Natives, the objection to the proposal would be more obvious.

2. On the same principle, the abolition of the present limit of £5 an acre on the value of the improvements to be allowed to the lessees to whose applications for new leases under the Act effect

is to be given could not be justified. The abolition would be in the interests of the applicants, by a provision for transferring to them, at the expense of persons for whom a trust has been created, a portion of the trust property. The applicants know the law. It was optional with them to apply, and optional also for them to accept any new leases offered in accordance with the law. The values placed upon the properties have been values which the properties would realise in the market. The lessees whose applications are approved have simply to decide for themselves whether to take the new or retain the old leases. But for the special concession, by way of compromise, of the Act, the lessees would have no option but to pay the rent under their old leases—a rent amounting, with few exceptions, to more than under the new leases they would have to pay both for rent and for the interest of the money payable for improvements. The abolition would require retrospective legislation to deprive of their property, under the law, private persons who happen to be Natives.

3. An authority to the Public Trustee to confirm old agreements between the Native owners and the settlers for the occupation of the reserves would be a very large power generally. It is a power which his refusal to exercise for the purpose of giving a right in cases of mere trespass might expose him to a charge of being arbitrary. That, however, I should not regard as a serious objection; and if the cases were generally like that of Ross, or there were many such cases, the only danger in clothing the Public Trustee with the authority would be that of the embarrassment which the precedent might involve. It would appear that, taken by itself, the agreement in the case of Ross might fairly be recognised, and that a new lease of the greater portion, if not of the whole, of the land could then be fairly entertained. But his case is supposed to be the only case of the kind.

I have, &c.,

J. G. WARD,

Colonial Treasurer.

F. McGuire, Esq., M.H.R., Wellington.

APPENDIX C.

“The whole contention of Mr. Hutchison goes clearly to show that, no matter whether the lease should contain the usual form of covenant or the unusual form to which he objects, the result will be the same. The usual form, he says, gives the Public Trustee, in short, all that the unusual form gives. And he asks, What reason then, in refusing the lessee a form of covenant which does not give more to a lessee than he has by the serving of a notice? Mr. Hutchison might as reasonably have asked what reason there could be in altering the form of covenant from ‘insure in the name of the lessor’ to a form which would not give more to the lessee.”

I furnish in a separate paper the reasons for insurance, and for insurance in the name of the lessor.

Insurance.—West Coast Settlement Reserves.

The Trustee has the right, in the interests of his trust, to require that the insurance should be in his name. But the lessees suffer no wrong, nor are they placed in a really different position by this requirement. It is necessary—(1) That there should be insurance; (2) that the insurance-money should be expended in restoration; (3) that the Public Trustee's command of the insurance-money should be such that the expenditure in restoration can be controlled by him; (4) that this command should be secured, as it can only be satisfactorily secured, by the covenant to “insure in the name of the lessor”; (5) that all possible complications should be prevented which might delay or render difficult or impracticable the expenditure of the money in restoration. The insurance covenant desired by Mr. Hutchison—that is to say, the joint insurance—would give an opening for such complications.

The mortgagee who lends money on one of these leases should be placed by a fire in no better position than his mortgagor (the lessee). That is to say, the insurance-money ought to be applied in restoration.

The Public Trustee conceives it to be his duty, where buildings are destroyed by fire, to expend the insurance-money in restoration, irrespective of any desire on the part of a mortgagee to apply the money to the payment of the mortgage-debt.

There can be no doubt that the covenant to “insure in the name of the lessor” is, from the foregoing reasons, a justifiable precaution of the Public Trustee; but if the question were one of doubt, or even of indifference, the Public Trustee, in view of the fact that his administration must be influenced by the interests of the Native owners, could not well make the desired concession.

By the Fourth Schedule to “The Land Transfer Act, 1885,” the insurance-moneys are to be laid out and expended in making good the loss or damage. By statutory enactment of the Imperial Legislature (section 83 of the Imperial statute, 14, Geo. III., Ch. 78), which is in force in this colony, insurance companies are bound, upon the request of any person interested in buildings destroyed by fire, to cause the insurance-moneys to be expended in restoring the property destroyed. That statute is in force in the colony.

If the lessees really desire that when they mortgage a lease the mortgagee shall be entitled to apply the insurance-money in repayment of the mortgage-debt, and not that such money shall be applied in restoring the property burnt down, the Public Trustee would obviously be indiscreet to accede. On the other hand, if the lessees purpose to apply the insurance-money to restoration, they can have nothing more by an insurance in their own names than by an insurance in the name of a lessor whose only object is restoration, and who, in any case, can be required by lessees or mortgagees to effect restoration. The mortgaging of the leaseholds proves that mortgagees are satisfied.

The objections to an insurance in the name of the Trustee are trivial.

APPENDIX D.

(Telegram.)

24th August, 1895.

KINDLY telegraph me to-day what per cent. has been the fall in the value of land during last two years. What do you allow? Reply collect.

John Hislop, Normanby.

J. K. Warburton, Wellington.

(Telegram.)

26th August, 1895.

ONLY received telegram late Saturday night.. I consider from 10 to 15 per cent.

J. K. Warburton, Wellington.

JOHN HISLOP, Normanby.

APPENDIX E.

(Memorandum.)

Wellington, 10th October, 1893.

I HAVE had a long interview with the Public Trustee this morning on the subject of our conversation with him yesterday, in reference to his action against McCullum; and from the facts disclosed to me I am of opinion that he had no option but to take the action against McCullum which has been so indiscreetly commented on by the Judge, as reported in the newspaper. I understand that the Trustee was in this case urged by the *cestui qui trustent* to enforce their rights. This left him no discretion whatever. Even if he had not been so urged, the statutory duties imposed upon him left him no alternative but to take the course referred to. A reference was made to the fact that this man McCullum was in occupation under a tenancy granted him by the Natives. I am assured that that tenancy commenced after the coming into operation of "The West Coast Settlement Reserves Act, 1881," and that therefore he must have known that no such tenancy could be granted to him by any Natives. He was therefore a trespasser, knowing what his rights were, and he had no reason to complain of the action taken by the Public Trustee. Two points were put by you, viz., Would subsection (5) of section 12 of "The West Coast Settlement Reserves Act, 1892," have justified the Public Trustee in granting a tenancy from year to year to a trespasser, or to anyone else. The answer is, Yes. Secondly, Could a rental be considered as reasonable which is put on the value of the land without improvements? The law is clear on the subject—that no such action would be justifiable, and that therefore the rental must be based upon the then value of the land, which, of course, would include the improvements. Under the circumstances, I am of opinion that no discretion is left to the Public Trustee than to administer the law as he finds it.

The Hon. the Premier.

P. A. BUCKLEY.

APPENDIX F.

SIR,—

Opunake, 26th July, 1895.

Respecting your favour of the 16th instant, instructing me to value security offered, No. 95/2970, I regret exceedingly having to return same, as on second thoughts it has occurred to me that, Mr. Elwin, the applicant, and myself having had disputes over former valuations under the property-tax and land-tax assessments, the applicant might think he will or would be unjustly treated by me. Again I beg to repeat that I am sorry I am unable to value in this case, and trust my inability to do so will not debar me from further and future employment.

Yours, &c.,

A. H. MOORE.

The Superintendent, Government Advances Settlers Office, Wellington.

APPENDIX H.

New Plymouth, 1st May, 1895.

REPLYING to your letter 94/376 of 5th April ultimo, I have to state that I have shown Mr. E. Blake your letter warning owners that if you are not to lease they must keep land clear of furze.

Mr. Blake tells me he *is* clearing the furze off and *will* clear the furze off the 50 acres, and that a half-caste named Hillman is clearing Section 35, and that he, Hillman, has arranged to have it all cleared off.

The Public Trustee, Wellington.

W. RENNEL, R.A.

It is a pity that Europeans do not all clear furze off their lands, as Natives point to such lands and say, "Why do you not all compel clearance there."

Approximate Cost of Paper.—Preparation, not given; printing (1,350 copies), £19 15s. 6d.

By Authority: SAMUEL COSTALL, Government Printer, Wellington.—1895.

Price, 1s.]