ments. In other words, the holders of the confirmed leases and of the Public Trustee leases who surrendered and converted in effect bought the reversion of the improvements from the Maoris at full value. That would seem to have been a perfectly fair arrangement for both parties—for the lessor who sold his right to the improvements and the lessee who retained the improvements for which he paid full consideration. The amounts actually paid for improvements by the lessees who converted aggregated £19,581.

15. That amount, under section 13 of the Act of 1892, had to be invested by the Public Trustee and the income paid from time to time to the Native owners entitled thereto. But by section 10 of the West Coast Settlement Reserves Amendment Act, 1915, the Public Trustee was authorized and directed to disburse these and other capital funds in his hands to the beneficial owners, and that was duly done.

16. In passing it should perhaps be said that a number of the holders of confirmed leases and Public Trustee leases did not convert their leases into perpetually renewable leases, but those cases were dealt with by the special legislation comprised in the West Coast Settlement Reserves Amendment Act, 1913. That enactment was a compromise between the conflicting contentions of the Public Trustee and the lessees, and, on the whole, the settlement effected was advantageous to the Maoris. The new leases which were granted under that Act to the lessees have all expired and the lands comprised therein are not within the ambit of our inquiry.

17. To continue now with the scheme of the Act of 1892. The Public Trustee was empowered to grant leases with the right of perpetual renewal in the manner and subject to the provisions of the Act and those set forth in the Schedule thereto. It must be remembered that at that time the lands referred to in section 6 of the Act, representing by far the greater proportion of the reserves, were entirely unimproved, unproductive, and to all intents and purposes useless. By the holders of Public Trustee leases and confirmed leases being given the option of converting their leases into perpetually renewable leases, conditionally on their paying the lessor the value of the improvements, the lands comprised in the converted leases for all practical purposes (so far as the terms of leasing were concerned) were brought into the same category as the lands comprised in section 6 of the Act, thus setting up a uniform system.

18. The idea underlying the plan of the Act of 1892 was that, though the leases were perpetually renewable, the rental should be fixed by a process of arbitration for each successive period of twenty-one years, and, assuming that the intention of the Act was that the lease should be what was then, and still is, described in New Zealand as a "Glasgow lease," though this description may not be a correct one, the lessor would in substance, retain the land at its "prairie value"; the lessee would own the improvements; and the rental would be based upon the prairie value. That value, of course, would be subject to variation, but in the ordinary course would be expected to rise, certainly not to fall. This system of so-called Glasgow leases has been very largely adopted under appropriate legislation by local authorities in respect of the lands constituting their endowments, and, on the whole, we think it may be said that the system has been successful so far as urban lands are concerned. Theoretically, there is no reason why it should not be successful also in respect of rural lands.

19. In theory, therefore, still assuming that the intention of the 1892 Act was that all improvements were to belong to the lessee and that the rent for each successive period was to be based on the value of the land alone without improvements, the scheme of the 1892 Act was ingenious, sound, and fair to both lessor and lessee. The holder of a confirmed lease or Public Trustee lease who converted his holding into a perpetually renewable lease had paid the Maoris for all improvements which, but for the conversion, would have passed to the lessor, and he was therefore in the same position as if he had effected his improvements anew at his own expense during the first term of twenty-one years of his perpetually renewable lease. He owned the improvements and took his new lease of the land at a rental based on the prairie value, which belonged to the lessor.