

legislation passed during the recent session to deal with the renewal of leases of the West Coast Settlement Reserves, I have to advise that it is considered that the beneficiaries do not fully realize the effect of the new statutory provisions." Perhaps not!—but they certainly feared (and their fears were ultimately realized) a great deal more than the Under-Secretary, who ended his letter to the Prime Minister by saying that it was considered that the fears that the beneficiaries' interests were being sacrificed in any way were groundless.

77. Indeed, it may be doubtful whether any of the persons responsible for the enactment appreciated the implications of the enactment, and what its real effect was, or perhaps what it was not. Certainly Mr. King did not, because he says, and we believe him, that he thought that the effect of the Act would be that the rental under the renewed leases would be based upon the "unimproved value" as defined by the Valuation of Land Act. Nor did Mr. Campbell, who believed that by invoking the definition of "improvements" in the Valuation of Land Act the valuation of improvements for the purpose of ascertaining the rental would be reduced and the "residual" value increased. He blames the arbitrators and umpire for the results which were contrary to his expectations, and to some extent at least he is no doubt right. However all that may be, what section 19 does is merely to invoke the definitions of "capital value" and "improvements," but that does not mean that the rental is based upon the "unimproved value" in accordance with the provisions of the Valuation of Land Act. On the contrary, under the enactment as passed it is enacted in effect that all permanent improvements are to be taken into account whenever effected, and not merely those effected during the current and expiring term, and, instead of the "unimproved value" being ascertained first as it would be if all the definitions of the Valuation of Land Act had been invoked, and the rental fixed at 5 per cent. of the value, the capital value is ascertained first, then the improvements, and the rental is based at 5 per cent. on the residue in accordance with the Schedule to the 1892 Act. The capital value and the value of the improvements were still to be ascertained by arbitration, and the arbitrators were at complete liberty to fix their own valuations and to disregard the valuations made by the Government valuers as appearing in the valuation roll.

78. To illustrate now what was happening:—

I. First, in *Crocker's case*, where the area was just over 87½ acres, the values submitted to the arbitrators and umpire were—

—	Fee-simple or Gross Value.	Improvements.
<i>For the Lessor</i>		£ s. d.
Mr. Gardiner	£47 10s. per acre; £4,156 5s. in all (<i>i.e.</i> , residue, £2,103 15s. — 5 per cent. = £105)	2,052 10 0
Mr. Bremer	£45 per acre; £3,937 10s. in all (<i>i.e.</i> , residue, £1,803 13s. — 5 per cent. = £90)	2,133 17 0
Mr. Charles Dickie	£45 per acre; £3,937 10s. in all (<i>i.e.</i> , residue, £2,131 18s. — 5 per cent. = £106)	1,805 12 0
<i>For the Lessee</i>		
Messrs. Wickham and Marchant	£35 per acre; £3,062 10s. in all (<i>i.e.</i> , residue, nil—a minus quantity)	3,790 14 5
E. A. Pacey (buildings only) ..	..	1,367 6 0

The umpire's award was—Fee-simple or gross value: £3,718 15s; and improvements: £2,563.

On this award the residue was £1,155 15s. and the rent £57 15s. 9d.

The rent for the first-renewal term had been £96 5s., being 5 per cent. on the difference between £2,612 (gross value) and £687 (improvements).