

experience of the Public Trustee in dealing with perpetual leases in Greymouth, Nelson, and elsewhere is that the arbitrators never oppress the tenant, but, if anything, favour him, and there is no reason to doubt that the same thing will occur in Taranaki when a revaluation of the petitioners' leases takes place some years hence.

The complaint that "a grave injustice is suffered, as, though the improvements are the property of the tenant, the Public Trustee compels the tenants to insure all buildings in his (the Public Trustee's) name, and only in an office approved by him," is an imaginary one. The insurance is the same as in leases under the Land Transfer Act, in the joint names of the lessor and lessee. The lessee can insure with whatever company he chooses, no restriction being put upon him by the Public Trustee in favour of any particular company.

3. The drawbacks of the leases mentioned in paragraph 3 are those incident to all leaseholds. Leases granted under the West Coast Settlement Acts are very simple, and without onerous restrictions. As leaseholds they are readily mortgageable. The Advances to Settlers Office, banks, and private lenders have advanced moneys (in some cases large sums) on them. The Public Trustee consents to all mortgages that are to be registered, and knows that a great many of the leases are every year given as security for advances.

The Public Trustee, in cases where the Advances to Settlers Office has advanced moneys on leaseholds, has handed the policies of insurance to that department, and, in order to help a tenant to raise money, would do the same with any bank or reliable private person.

The statement that the leaseholds are "altogether inimical to prosperous and permanent settlement" is shown to be incorrect by the prosperous condition of those portions of Taranaki where these leases are the only form of tenure.

4. The Public Trustee, on behalf of the Natives interested, would point out that, apart from the injustice that would be done, to grant the prayer of these petitions would be to grossly violate the most solemn pledges given to the Native owners that these lands would be theirs and their children's for ever.

Such promises should be sacredly kept, and the present tenure should not be altered, unless with the consent of the majority of Natives interested in the reserves. I return petitions herewith.

I am, &c.,

J. W. POYNTON,
Public Trustee.

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