

with evidence. If I do refer to any evidence at all it will be merely with the desire of illustrating a particular fact or series of facts that I am dwelling upon. I would ask your Worships, in considering this matter, to again consider the whole question from the beginning—to consider the existing conditions when the lands were taken up, because I do think, sirs, that unless we grasp that from the beginning we will lose something which will help us afterwards when we come to the consideration of the existing facts of 1912. I do not want to repeat, and I will not repeat what I said in my opening. I said there that the land was virgin land, that the lessees had to pay the best rent obtainable at the time, and so on. There is only one observation I desire to make in regard to the best improved rent obtainable at the time. My friend seems to think that at the best improved rent obtainable at the time does not mean the best rent on the capital value.

*Mr. Bell:* I said that the word “improved” did not have any reference to improvements.

*Mr. Welsh:* In other words, that would not include the capital value. Obviously it does include the capital value. If your Worships will look at the regulations you will see they say, “At an upset rental equivalent to five pounds per centum on the capital value.” There is the answer to that. The improved rent therefore means 5 per cent. on the capital value. Then, sirs, at that time he was making his bargain with the Public Trustee he was getting nothing special in his favour, and when you pass on and consider the reduction of rent you will see the necessity of it. He was not able to pay his rent out of the land in its then condition and the conditions under which he was placed. It was not only to the lessees’ advantage to get the rent reduced, but it was to the advantage of the State to keep the quasi-military settler on the land. This land had to be settled somehow—they had to get the best rent they could out of the land. He could not pay his rent, and it was in the interest of the State to keep him there, so what did the Public Trustee do? By Order in Council the rent was reduced, and we are told that is a fraud upon the Native, and that the Native should have been consulted before the rent was reduced. Is it seriously alleged now that in 1887, when Parihaka was in full swing, the duty of the Public Trustee was to consult Te Whiti and Tohu and all his men in authority before an act of that nature was done with the authority of an Order in Council? The proposition only wants to be stated to carry its own refutation. It is obvious the Public Trustee was not favouring the white man and betraying his trust, but it was essentially in the interests of the advance of the nation that that man should be kept on his land. The Public Trustee took the step by the authority of an Order in Council, and that the step was warranted there is ample evidence to prove by what occurred in succeeding years. You will remember that afterwards, in 1892 and 1893, in many cases the rent was reduced, while in the ten years from 1882 to 1893 prices were going up, and probably you know more of the conditions of that day than I do. Well, when the lessee came to convert in 1892 and 1893 his rent was actually reduced. It is obvious that in 1882 and 1883 they were paying a long way too much rent. I hope that settles the question once and for all. It has nothing to do with my case as to whether the Public Trustee was right or wrong in reducing the rents, but it does seem to me, the more one looks at it and takes a view of the circumstances as they were then, that it is all very well to be wise now and say what should have been done by the Government officers. But it is obvious that, instead of any wrong being done to the Natives, the right step was taken at the time in the interests of the State, in the interests of the lessee, and in the interests of the Native himself, because these lands had to be settled for the Natives’ own sakes. To have left the lands as they were in that condition of rest would have been a serious mistake. Settlement was the thing necessary to the Native difficulty on this coast. I do not desire to refer any further to the form of the lease or the manner in which it is alleged the lessee was misled—its silence, its reference to regulations not then enacted, and the necessity on the part of the lessee to have a thorough knowledge of the covenants and regulations—I have said all I desire to say in my opening. I wish to make this observation: I have not asked and I do not ask the Commission to say that the distinction I have suggested between “substantial improvements” and “improvements” is a good distinction, because I do not think it is within the province of the Commission to hold that even if they agreed with me. What I do say is that to the lessee of those days reading the lease, taking the plain language of the lease referring to “substantial improvements” and the plain language of the regulations referring to “improvements” as distinguished from “substantial improvements,” that the lease itself is calculated to mislead the lessee. That is as far as I desire to carry that argument. Now, it has been apparently in the minds of some of us that the lessee was getting a fat bargain when in 1881 and the years afterwards he got that lease. It has turned out since that he has done well if he stuck to his land; that land for which he was paying so many shillings he is leasing for so many pounds—or perhaps hardly that, although he has subleased it at an enhanced value; but the lessee would have been far better off if he had not seen the lease at all and had taken up a lease under the Land Acts of those days. If, instead of taking up this lease, he had taken up land under the Land Act of 1885, you will see that from the regulations, of which these regulations are a copy, they gave the tenant a lease which enabled him to convert it into freehold after so many years. If you are interested enough to look at those Acts with the deferred payment or occupation provisions, you will see he would be far better off to-day. It was mentioned by some one that the bargain was all on the lessees’ side, that he got a lease at a fairly low rent, and came in and hung on to it, and now he is able to sublet and make enormous profits out of it, and then comes here and asks for more. Well, I do not think that is the position—I do not think that is quite fair, because the lessee of 1881 was getting no great bargain, and that the tenures open to him in those days were far better for him from a financial standpoint than any lease under the West Coast Reserves Act.

*The Chairman:* The only thing is that these things do not touch us.