on to the land and work it. Supposing you give him a better tenure on the other part of the reserve kept for him, he can show he has come of age there, but by that time the 18,000 acres would be gone for good. My friend talks a great deal about the danger of their having a chance of the freehold; and I have to admit that the Natives say all along we hope one of these days to get our lands back—we are not going to remain lunatics and minors all our lives, but we intend to get the freehold back. The Natives themselves say that they believe they are even now of age, but they realize they have to show it. Of course, if the nation will take it for granted the Maori will be pleased to agree, but they recognize it is reasonable for the nation to demand that they shall show they are of age before anything is done.

Mr. Kerr: There is one question which has not been dealt with with regard to the Natives themselves. The grants show that a certain limited number only would be able to bid for these leases, where there are perhaps two or three or seven in a grant. What do you suggest should be done in the case of Natives where there are two hundred or three hundred in a grant?

Mr. Bell: I hope your Worship has not thought I have been arguing that only the Natives in a particular grant should be able to bid. All the Natives ask for is that the Native and the pakeha, wherever the Native comes from, should have the opportunity of bidding at every auction.

Mr. Kerr: The only thing is in reference to the statement made by Dr. Fitchett. It is quite obvious that that cross-entry he was referring to can only refer to about seven or eight Natives in a grant.

Mr. Bell: I do not think there is anything in the cross-entry point. A man would have to pay his rent except in very isolated cases. Now, with reference to the finance question, my friend put a point which troubled me considerably for a number of days, but I submit the conclusion he draws is wrong. The provision in the lease is this: that all the improvements are to be valued at the end of each period, and that then the man is to get compensation up to £5. Suppose at the end of one period there is £9 worth of improvements on the land, an incoming tenant goes in and pays £5. Well, at the end of his term, supposing he puts no improvements on at all and the depreciation on the improvements is 20 per cent., if my friend's contention were right the second tenant would only be entitled to £4, as they had depreciated, but as a matter of fact he is entitled to £5. He pays his rent on everything over £5, and what the lease says is this: "Within three months before the determination of this demise by effluxion of time all such buildings and fixtures, including fencing, on the land hereby demised as shall be deemed to be substantial improvements under the regulations made under the said Act."

Mr. Welsh: That is the point.

Mr. Bell: Only substantial improvements are compensated for—they shall all be valued.

Mr. Kerr: Except under the Act of 1910.

Mr. Bell: It is not limited to buildings, fixtures, and fences now, but improvements which are substantial improvements within the definition, and then the incoming tenant pays £5.

Mr. Welsh: Read the whole section. You say he has to pay for everything.

Mr. Bell: I do not say he has to pay for everything. I said all improvements are to be valued, and then he is paid £5, but he is paid on his improvements. Supposing there has been depreciation, the improvements over £5 are backing up the £5. If he goes in, and there are £9 worth of improvements on his land, and the depreciation is 20 per cent., he does not, as my friend suggests, get £4, but £5, because all the depreciation is taken off the balance above £5, so that you have your security backing up a certain return of £5. If the improvements are worth £8, or whatever it is, so long as you have the security the loan is perfectly safe. The man is going to receive his £5 guaranteed by improvements which are then on the land—the margin of the actual improvements on the land above the £5 which he is going to be paid.

Mr. Welsh: I must reply to that. If any one takes the trouble to read the lease you will see it says, "All such buildings and fixtures, including fencing, on the land hereby demised as shall be deemed to be substantial improvements under the regulations made under the said Act shall be valued by arbitration in the manner hereinafter mentioned; and a fresh lease of the said land for the same period and on the same conditions as this lease shall be offered for sale by public tender, subject to the payment by the incoming tenant to the lessee of the valuation so to be ascertained as aforesaid." Now, if my friend's contention is correct, that the valuation is to be on all improvements without limit, then the lessee has to be paid for all improvements without limit, because it says, "subject to the payment by the incoming tenant to the lessee of the valuation so to be ascertained as aforesaid"—not £5 of valuation, but "of the valuation to be ascertained as aforesaid." He has to be paid for the amount of the valuation so to be ascertained as aforesaid, and the valuation so to be ascertained are the substantial improvements under the regulations which are to be valued, and the limit of those substantial improvements under the regulations is £5, and it is that which the lessee has to be paid for.

Mr. Kerr: But has not that been amended?

Mr. Welsh: Yes, my friend and I are quite at one in that. In regard to the question of depreciation at the end of the term, he gets exactly what he got when he had his lease. When he got his lease he was entitled to be paid £5 for his improvements. They might have been £5 per acre. The question is, What are the improvements worth at the time the lease ends? and it says that the lease is to be for the same period and on the same conditions as this lease.

Mr. Kerr: Everything depends on what the improvements are worth at the end of the term.

Mr. Welsh: Yes, that is the point. [Statements from dairy factories showing number of Native suppliers put in, Exhibit L.]

The Chairman: In reference to what counsel have said, speaking on behalf of Mr. Kerr and myself, I can say we have been very pleased indeed at the able manner in which you have carried out your duties before the Commission. We can assure you that, in return for the care both you and those who have been assisting you in the matter have taken, we shall to the best of our ability exhibit as great a care in the consideration of it. We can assure you that the position we will take up will be an absolutely neutral one, with the object of securing a judicial and equitable solution of the matter as far as we possibly can.