MR. W. D. S. MACDONALD made a statement. (No. 3.)

Mr. W. D. S. MacDonald: I should like to say, Mr. Chairman, that I first became acquainted with this block of land in 1897. I had then been manager for the Bank of New Zealand over all their properties in the Gisborne district. I went up to see the block of land with a view to purchasing it, and it was offered to me at the same price that Mr. De Lautour paid for it—£1,100. But at that time, with all my knowledge and experience of sheep-farming and of breaking in country, I did not think it was a good proposition. The place was 120 miles from Gisborne, and all the stock had to be driven that 120 miles, and if there was surplus stock they had to be driven back 120 miles. You must see that this was a very difficult position. But what I would like to deal with more particularly is the tenure of the land. Those who have had acquaintance with dealings in Native lands must know that the legislation in 1898, or prior to that when the original lease commenced, was very different from what it is to-day. It was very difficult to get a second term of a lease—that is, a second term of twenty-one years—or any lease with compensation for improvements. Leases were then mostly 21-year leases without right of renewal. But as against that, as Mr. De Lautour has pointed out, there was the privilege of purchasing the freehold from the Natives, and I understand that was the inducement. Instead of looking forward to compensation, or to any further renewal of the lease, in those days tenants looked forward to purchase the property. At any rate, that was the reasonable aim of the lessees. I know that after Mr. De Lautour had secured the lease of Whakaangiangi he began purchasing, and the Government also began purchasing, in the block. It is a large area of country, and the Government purchased to the extent of 1,164 acres, which precluded the tenant from completing the purchase of this holding; so that in my opinion the tenant in that case has a very good claim for compensation. The portion purchased by the Crown was located in the frontage, and without breaking in that portion it was difficult to get at other portions of the land that was leased. I travelled through this country three years ago, and certainly it has been very greatly improved—is well fenced, and is carrying splendid stock. The land is carrying two and a half sheep per acre in winter, which is proof the land has been in good occupation. My idea of the whole position is this: that when the Crown prevented the tenant acquiring the freehold, then the only honest thing to have done would have been to offer the lessee a renewal of the lease for a second term. I think anybody who has been engaged in sheep-farming will recollect that in 1898 and 1899, and on to 1904 at least, there was practically no profit from sheep-farming. It has only been during the last five or six years, from 1910 to 1914, that the sheep-farmers in our district have been making sheep-farming a paying proposition; so that just when this land was brought into a state of production, and sheep-farming became a profitable occupation, the Crown stepped in and secured the land which they originally purchased at 8s. an acre, and offered the lease at about 12s. 9d. an acre. I want to say that so far as Mr. De Lautour's family is concerned they commenced sheep-farming in country very remote from settlement: they were practically pioneers. Although land was eagerly sought for in other more accessible districts, when the Government threw open for selection their purchases in Whakaangiangi few applications were put in for them, owing to their remoteness from settlement and the great difficulty of getting to and from these places—people would not readily face the proposition of going into these remote parts of the country. My own opinion of the case is that just when the lessee was going to get compensation for his long years of pioneer work the Government stepped in and took over their purchase of this 1,100 acres, which included the homestead; in my opinion, the fair and reasonable thing for the State to do is to compensate the tenant, Mr. De Lautour. I think that should be done. I am quite willing to answer any questions. I do not think I need say anything more.

APPENDIX.

[Letter from Under-Secretary, Department of Lands and Survey, Wellington, see "Departmental Report," p. 3].

Petition No. 68/14—Cecil A. de Lautour.

SIR,— 3rd September, 1914.

Referring to your letter of the 17th ultimo, I have the honour to inform you that the land referred to in the petition of Mr. C. A. de Lautour was known as Whakaangiangi Blocks 5A and 5B, containing 2,622 acres, and leased by the Native owners to Samuel Bentley and John Murray for twenty-one years from the 1st April, 1893, at a rent of 1s. per acre for the first seven years, 1s. 3d. for the second seven years, and 1s. 6d per acre for the third seven years. The lease did not provide for the payment of compensation for improvements. It was transferred on sale by default from the Registrar of the Supreme Court to the Bank of Australasia on the 17th November, 1896, and Mr. De Lautour took it over on the 21st May, 1898. 1,164 acres 3 roods 1 perch was purchased by the Government and proclaimed Crown land in *Gazette* on the 4th August, 1898, page 1254. Mr. De Lautour's lease expired on the 31st March, 1914, and the land was open for selection and disposed of in two sections on the optional system on the 21st April, 1914. Messrs. De Lautour, Barker, and Co., on behalf of the late lessee, made application to the Hawke's Bay Land Board in April last to be allowed compensation