## LETTER FROM DEPARTMENT OF LANDS AND SURVEY, NAPIER.

Blocks 5A1 and 5B1, Whakaangiangi.

The Surveyor-General, Wellington. 28th May, 1902. Referring to your memo., No. 40/477, of the 15th instant, I have the honour to inform you that the circumstances under which the land came to be Crown land were peculiar, as stated in Mr. De Lautour's letter attached to my memo. No. 477/84.

Mr. De Lautour under his present lease has no improvement clause, so, as stated in his letter, with only twelve years of his lease to run he is in a very awkward position: we can hold him to his lease and so gain the advantage of his improvements; but the Board when making its recommendation considered that it would, under the circumstances, be a fair thing to allow him to surrender and to then throw the land open for selection burdened with the value of his improvements.

I cannot quote any precedent of the surrender of similar land, for we have not had any similar leases, but in the case of Crown tenants holding pastoral runs they have been allowed to surrender them and have them put up as small grazing-runs burdened with the value of their improvements; by doing so they are put in a much better position, and their case is much the same as the one under consideration, only that Mr. De Lautour holds under an ordinary lease.

I attach lithograph showing tenure of surrounding land, as instructed.

ERIC C. GOLD SMITH, Commissioner of Crown Lands.

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