

be considered separately, and upon other grounds; and it will be especially necessary, in dealing with all existing arrangements, to take each case upon its own merits, and treat it as fairness and equity may require.

In the case of the tenants on the Native Reserves in Westland, but more especially in regard to the tenantry at Greymouth, the above rule will have to be faithfully observed in respect of the implied right of renewal, as they have always been led to understand that a renewal of their leases would be granted them, at a moderately increased rent, at the end of the subsisting term, depending on the amount of annual rental hitherto paid. On the faith of this, they have erected substantial buildings and improvements to the value of over £40,000, besides raising money for town improvements. This last expenditure, coupled with the outlay needed for other municipal works, has necessitated their levying a tax equal to 10 per cent. on the annual value of their properties.

It will be easily understood, therefore, that the Act of 1873 caused considerable uneasiness to the tenants at Greymouth as to how the Board of Management would deal with the question of extended leases, as it was well known that the Natives to be elected for the position must be chosen from the persons who had openly stated their intention was to take possession of the property at the termination of the existing leases.

It was looked on by the tenants as a grave injustice, and to a certain extent as a breach of faith with them, after having been led to suppose from the first that the estate would always be administered by the Government, that the Act permitted the handing over of large and important interests to the mercy of two or three inexperienced Natives, who had no knowledge of the laws of property, and who were unable to appreciate equity.

There is little doubt that if the Act of 1873 had been brought into operation, the effect would have been most injurious to Greymouth, owing to the uncertainty that would have been created in regard to the renewal of existing leases; the consequence of this would have been that, instead of the tenants being inclined, as they now are, to erect a permanent class of buildings of brick and stone, provided they can obtain a longer term of lease, no further improvements would have been undertaken, and the buildings already erected would have been suffered to fall into decay; as it stands to reason that if a tenant's interests in his improvements terminate with his tenancy, it cannot be expected that anything would be spent on the property towards the close of the term which would be of benefit to it.

These remarks point out that security of possession to the tenant is indispensable to the improvement of the property. It therefore follows that it is to a system of long leases that attention should be directed, as it is clear that the tenant could not invest money or improve the property unless he held a certain permanency of tenure for a sufficiently continued length of occupation to enable him to recoup the money he had laid out.

It is important that some basis of operation should be laid down for determining the amount or rent to be charged for the various descriptions of leaseholds to be dealt with, so that the fancy or caprice of individual officers may not be allowed to thwart the interests of either intending tenants or persons who may be entitled to renewals.

No rule can be laid down with any degree of accuracy with respect to the adjustment of rent, but some general principles could be defined for the guidance of persons whose duty it would be to assess the property.

It is unquestionably a most desirable object, although a matter of considerable difficulty, to ascertain the proper rent which premises, whether let for building purposes or farms, will bear in different situations, so as not to deprive the owner of a just remuneration on the one hand, or oppress the tenant with too much rent on the other.

With regard to the rent of household property already in occupation and erected at the expense of the tenant, the amount of future rental could be ascertained by making an estimate of the original cost and adding a fair percentage upon the money expended if built within a certain time, and after the building had stood for so many years a certain percentage should be deducted. It will also be necessary to ascertain the value of the premises with and without the improvements in cases where the outlay has been made at the expense of the tenants, as it would be inequitable to make the tenants pay for what they themselves produced, without the lease had been made on those conditions.

In England, twenty years is the usual time for allowing a percentage upon the amount expended in the erection of buildings. The percentage allowed ranges from 5 per cent. to 7 and $7\frac{1}{2}$ per cent., and the deduction is usually at the rate of $2\frac{1}{2}$ per cent.

In New Zealand, a building constructed of the ordinary timber in use would require a good deal of repairs in ten years, especially buildings in gold fields towns, many of which are of a very flimsy character. The rate of depreciation during the first few years is not so rapid as it is towards the end of a long period, say fifteen years; the rapidity of decay would of course depend upon the class of timber used, and the degree of attention paid to the up-keep.

The fairest arrangement for assessing the amount of rental to be charged for an extension of the leases would be to arrange that an assessment of all buildings or other improvements erected or situated upon sections within the Native reserve portion of the Town of Greymouth should be made before a renewal is granted. The value of the section without the improvements should also be estimated at the same time as a basis for ascertaining the amount of rent. In event of any one but the occupant obtaining the renewal, the incoming tenant should be required to pay the original lessee the amount of valuation placed on the improvements; provided that the occupant had erected or made the buildings or improvements on the land in question, or shall be the representative or assignee of the person who had erected or caused to be erected or made such buildings or improvements.

Two modes would have to be adopted in the Town of Greymouth. In the business part of the town, where the rents have ruled high from the commencement, the improvement made by the tenants ought not to be considered in calculating the rental to be paid for an extension of lease, as it would be manifestly unfair to make the tenant pay for improvements made at his own expense; but the case would be different in the back portion of the town. There the improvements may be considered the property of the trust, and should be included in any assessment to be made for the purpose of