

on the 18th August, 1890: "Referring to an application made through Mr. Seddon that you may be relieved from payment of costs of arbitration in fixing new rental of above Section 24, I have to inform you that the Native Reserves Board considered the application, and resolved that, as the law specifies that the incoming lessee shall pay the arbitration-fees, they are unable to relieve you from payment thereof." That came before the Board on the same day—the 4th August, 1890. The strange thing in Batchelor's case is that, whereas in his letter of the 26th July, 1890, Mr. Seddon had requested that the tenant be relieved from the cost of valuation, the tenant himself says that he is perfectly willing to pay it—that is to say, that he had no complaints against the office for charging these valuation-fees against him. The point that I want to bring out before the Commissioners is, that it is a fact that these arbitration-fees were charged against the tenant, and it is also a fact that in each case the arbitrators indorsed the offer of the tenants; but I hold that the law binds me, and that I could not in justice to the Natives relieve these tenants from the payment of the valuation-fees.

16. Has Batchelor's lease been executed?—I expect it is holding over for the same Board meeting as Harcourt's.

17. Has he paid his fees?—No.

18. *The Chairman.*] In other words, the Act makes no distinction between the old tenant as an incoming tenant and a new tenant?—No; that is what I hold.

19. I think, in these two cases you have shown sufficient for your object in pointing out that the law has compelled you to act as you have done—that is, you cannot help insisting upon the incoming tenant, whether he be the old tenant or a new tenant entirely, paying the arbitration-fees?—That is so.

20. I suppose there are many similar cases where people have objected to pay arbitration-fees?—No; these two cases were special, because a point was made of them in the House. With respect to Batchelor, he holds two sections, as to one of which there was no dispute about the rent to be paid. In respect of the other section we disagreed as to the rental. We went to arbitration, and the arbitrators found the value of the land to be less than the amount which he had offered to pay. The leases both to Batchelor and Harcourt are prepared, and are waiting for the next meeting of the Native Reserves Board. Mr. Seddon, on the same occasion in the House, said, "There might be defects in the law under which the Public Trustee was working. That showed a Royal Commission was wanted, to see if there were defects in the law which prevented the department from working with expedition. He knew that the law was defective, and that showed all the more reason for the necessity of appointing a Royal Commission to investigate and show where those defects existed." Well, that is perfectly true. The law is defective, and it is very hard that the administrator should be blamed for carrying out the law as it stands. Mr. Rhodes says in his remarks, "The fault was more in the system under which the Public Trust Office was managed than with the Public Trustee himself."

21. *Mr. Loughrey.*] Do you think that the Public Trustee is justified in forcing arbitration upon men in such cases as these?—Yes, because the Public Trustee could not possibly foresee what the arbitration might disclose. The Public Trustee was in this position: He was receiving 4s. 8d. an acre per annum; he was offered 3s. Where was the justification, without arbitration, for such a large reduction of rent?

22. Do you think the law should be altered so that when the arbitration is decided against the Public Trustee the office should bear the costs?—I do not suggest an alteration, because the Trustee is doing his best for the Natives; and it appears to me that the terms generally are so advantageous for the tenants that the payment by the Natives of the arbitration-fees would be an additional hardship upon them.

23. In such cases as these would it not have been better to have consulted the Board before forcing these men to arbitration?—First of all, the Board have nothing to do with the administration of Native trusts. The administration is wholly with the Public Trustee. I am talking of Native reserves now.

24. *The Chairman.*] In Harcourt's case did you consider the total amount involved before going to arbitration? What was the total amount involved?—It was about a twenty-acre section. The amount involved was under £1 10s.

25. Before incurring the risk of arbitration-fees having to be paid by the incoming tenant, would the amount of difference of rent involved not be a consideration?—No doubt; but of course my primary duty is to do what I can for the Natives, and it appeared to me on the face of it that I should not be justified in allowing the rent to be reduced without experts expressing an opinion upon it. That could not be obtained without going through the process of valuation.

26. In this case the difference of rent was under £1 5s., was it not?—It was something very small; I have not calculated the amount.

27. And the arbitration-fees came to £7 6s.?—Yes. The principle, of course, is the same. If I had given way in one case, I should have had no justification for not giving away in others—at least, it appeared so to me. Section 8 vests all Native reserves in the Public Trustee subject to the trusts.

28. *Mr. Loughrey.*] What is the power of the Board, then?—The only power which the Board apparently has is to give its sanction to leasing. Before I lease I always consult the Board. Now, referring to Mr. Rhodes, he says, "The complaints could be classed under the following heads: Firstly, that persons wrote to the office and could not get information; secondly, that the Public Trustee would not take up work unless his fees were practically secured by cash in hand; thirdly, others complained that the office was practically centralised in Wellington; and, fourthly, others complained of the excessive charges of the office." He goes on to say that "in justice to Mr. Hamerton, he has always found that officer and the other officials perfectly willing to give any information they could to persons who were properly authorised." I feel somewhat at a loss to