MINUTES OF EVIDENCE.

HAWERA, FRIDAY, 10TH MAY, 1912.

[Commission read.]

The Chairman: The Commission having been read, I should now like to know who is appearing for the several parties—that is, the lessees on the one side, and the Natives on the other side.

Mr. Welsh: I appear, if your Worships please, on behalf of some fifty-odd lessees under the Act. I will hand in a list of the names of those for whom I appear. [Exhibit A.]

Mr. W. H. D. Bell: I appear for the Native owners.

The Chairman: Is the Public Trustee not represented?

Mr. Fisher: So far as the Public Trustee is concerned, Mr. Zacariah is present as representing the Public Trust Office in Hawera, to produce any documents that the Commission may require.

Mr. Bell: I will ask that the current Public Trust Office file should be before your Worships.

The Chairman: The next point is as to the course of procedure, and Mr. Kerr and myself have decided that it is only right and proper that the lessees should be allowed to state their case first.

Mr. Welsh: I am quite agreeable to that course. May it please your Worships,—In approaching the inquiry referred to the Commission, I purpose first of all inviting you, sirs, to shortly consider the facts leading up to and out of which the claims of the lessees under the West Coast Settlement Reserves Act, 1881, and its amendments, arose; and, with your permission, sirs, it will save us considerable time, I think, when we come to deal with the evidence, if I now shortly outline the nature of the case and the manner in which the lessees took up their holdings, and why they claim that they were misled by virtue of the lease itself and the statute and regulations. At the outset I desire to consider the conditions at the time when the lands were leased to the lessees in 1881 and onwards. The lands then were mainly in their virgin state. They were put up to lease, as you will notice by subsection (3) (*b*) of section 11 of the Act of 1881, "at the best improved rent obtainable at the time," and that is important. Now, some of the lands did not let readily when first put up by the Public Trustee, and they were rightly kept back by him till such time as he could get better rents. Obviously, the Public Trustee was only doing his duty. If he could not obtain the best improved rent obtainable at the time, he knew it was his duty to keep them back and offer them again, and he did so. Now, under the regulations it was made abundantly clear that the fullest publicity should be given to the mode in which the leases were to be offered to the public, and I would invite your attention, sirs, to paragraph 1 of the regulations of 1883. You will there notice these facts, which I desire to emphasize: There was to be public competition, there was to be public notice, the upset rental was to be 5 per cent. on the capital value as fixed by the Public Trustee, and the value so fixed was not to be less than the price for which similar lands could be sold for cash in the district, so that the authorities were quite clear that they were getting the very best rent they could for these lands. The lessee then was no favoured person; he was paying full rent for Native lands in a virgin condition—a district which had but recently emerged from a state of war, surrounded by a large population of Natives (large in proportion to the number of white settlers on the land), whom it would be a mere euphemism to describe as peaceful. The lessee had his home to make and his rent to pay, and it was perfectly clear the settlers were not to be permitted to acquire these lands for the mere purpose of speculation. No doubt the authorities were well advised when they made the provisions they did that made the leases the subject of acquisition by men who were prepared to live there, and prepared to make their homes there. I invite attention, sirs, to clause 28 of the same regulations. As an example, take 100 acres: by the sixth year the lessee would get 20 acres in cultivation, and also have spent £100 in substantial improvements. The improvements subsequently asked for under the statute of 1892, giving real security of tenure to all leaseholders, were exactly the same as asked for from these people in 1881—that is, in respect of the new leases. I think that will be of some value, and I desire to refer to clause 55 of the West Coast Settlement Reserves Act, 1892. I will ask you, sirs, to compare that clause with clause 28 of the regulations, and I think it will be seen they are identical. It therefore brings us back to what I started with, that the lessee who took over this land was under no obligation; he was paying rent on the same basis as subsequently fixed by the Act of 1892, and coming in under provisions and regulations which prevented him making much for himself, and he was offered a home under somewhat strenuous conditions. I would ask you now, sirs, to refer shortly to the lease that the lessee was given. I speak subject to correction, but, practically speaking, the form of the lease was the same all through under the statute of 1881. There were certain alterations which do not concern us at present. I desire to refer to paragraph 5 of the schedule to the Act as to the provisions made for payment to him for his improvements. Under that covenant the lessee is to be paid by the incoming tenant for all buildings and fixtures, including fencing, which are substantial improvements under the regulations, and he has to be paid in full for those.

Mr. Kerr: Is there not something in the regulations controlling that?