Mr. Welsh: There is nothing in the lease or in the regulations which says he is to be paid for all substantial improvements as incorporated in the interpretation clause. That has been conceded throughout the whole inquiry. We petitioned Parliament in that connection because under his lease he was to be paid nothing for his bushfelling or grassing, and special legislation had to be brought down the year before last to enable him to be paid a very limited amount for bushfelling and grassing. That was an act of grace by Parliament. Of course, I am not concerned now in arguing the legal position as to how it stood, but I think it is important now to know the minds of the lessees at the time when they took up their leases. It will be said, "What does the lease say?" Any one reading that lease would see for himself that he was not to be paid for those things, and I admit that any lawyer reading the lease and advising his client would say that according to the language of the lease he was not to be paid for bushfelling or grassing. Very well, what did the lessee do? He devoted all his time and raised all the money he could, and it was difficult to raise money in those days, and spent all his money in getting the bush down, in grassing and fencing the land. The building of a house—the only thing he was to be paid for under the lease—was the last thing to be considered. He was to put up a whare, knock down the bush, and graft there year in and year out in order to get his land into cultivation. That is the history, taken all round, of the early Taranaki settler. Now, is it likely that he would have taken up his lease under those conditions—that he would have taken on that contract? He never knew if he could carry it through or not in the year 1881. Would he not look forward to the fact that at the end of twenty-one years, when the lease was to fall in, he would be paid something? Is it likely that he would have done what he did to get the bush felled, the land grassed and brought into a state of cultivation, if he knew he was not to be paid a copper for what he was doing, and that the only compensation he was to be paid under the lease was for the whare put up and such substantial fences as remained twenty-one years after? There was no substantial fencing at that time. In the year 1910 a measure was brought down which will be referred to during the inquiry, the Native Land Claims Adjustment Act, 1910, section 4. The effect of that statute was that the improvements to be valued should be all permanent improvements under the Land Act, 1908, up to the value of £5 per acre.

Mr. Bell: If you had come in under the 1892 Act you would not have got that concession.

Mr. Welsh: Those who came in under the 1892 Act got paid for bushfelling and grassing up to £5 an acre.

Mr. Kerr: This section seems to concede your contention in regard to improvements.

Mr. Welsh: Yes, partially. You will see where it fails in a moment. Under the lease we are entitled to be paid for all our improvements of a special character without limit.

Mr. Kerr: That is your contention; I do not know.

Mr. Welsh: In our lease we are entitled to be paid for substantial improvements as defined by the regulations without limit, and I rely a good deal upon that. I am somewhat well advised in regard to this, as it has been well considered. Under our lease we are entitled to be paid for the substantial improvements as defined by the regulations without limit, and I contend, sir, that the limitation of £5 per acre on improvements made by the regulations does not attach to the substantial improvements as defined by the regulations and as incorporated in the lease.

The Chairman: You mean that he has something in addition for improvements?

Mr. Welsh: It may be. The effect of the legislation is to give us something in addition.

Mr. Kerr: Does not the word "improvements" in section 4 cover all improvements effected by the lessee.

Mr. Welsh: That is the point. My contention is that the specific words of the lease is a contract to pay us for all our substantial improvements as defined by the regulations. The specific words of that lease cannot be overridden or overcome by subsequent words in a subsequent section of the regulations in which the same words are not used, because the limitation there of £5 is a limitation for improvements, and it does not say that the lessee is not to be paid for them, but it says that no improvements shall be valued at over £5 per acre. When the Act of 1910 was drafted the difficulty was not seen—it had not been perceived what the real effect of the lease was to the lessees. I put it this way: that surely no legislation would have been carried taking away any of our rights without first of all discovering what those rights were, which would have given us the opportunity of going before the Court and discovering what our rights were, and whether we were entitled to substantial improvements in full. If Parliament thought fit to whittle away any of our rights, that would have been done after giving us the opportunity of being heard.

Mr. Bell: Take Tinkler's case.

Mr. Welsh: I am coming to Tinkler's case, and it is on that you will fail. One of your duties as Commissioners, sirs, is to inquire into the position as to how the lessees were misled. I am afraid you will find it difficult to get a body of lessees to agree as to what was their reading of the regulations. I hope none of my observations will make it understood that I am impugning anything against the Public Trust Office, because we have received every consideration and courtesy from the Public Trust Office officials. I said there was something in the nature of a trap, but I never intended that my words should mean that anything in the nature of a trap was set by the Public Trust Office officials. When the leases were beginning to run out the Public Trustee put on his considering-cap to see what the effect of these leases was, especially in regard to offering them again to the public, because it is common knowledge that some of the Natives were asking that the land should be given to them to farm. The Public Trustee was aware of the provision in these leases making it obligatory on him to put them up to public auction, and it became necessary for him to have a decision of the Court, and a decision was given in Tinkler's case (11 Gazette L.R. 303). I want to cite Tinkler's case regarding the lessee's right to improvements. In that case the whole question was fully argued and considered. So far as the improvements were concerned, the question was, "Is the felling of the bush and the grassing of the land an