

41. And you refused to convert?—Yes.
42. You decided, therefore, that you were going to remain under the 1881 lease, and you knew that meant that you had not got a perpetual right of renewal?—Yes.
43. Well, if you knew you were only going to get £5 an acre compensation, why did you put on improvements to the value of £7 or £8 an acre?—To make a living off the place.
44. You had to do it?—Yes.
45. Although you knew you were going to lose £2 or £3 an acre when it came to the settling up?—Yes.
46. But it was profitable to do so?—Yes.

WILLIAM KELLY sworn and examined. (No. 6.)

1. *Mr. Welsh.*] You are a farmer, living at Stratford?—Yes.
2. You are also an original lessee under the Act of 1881?—Yes.
3. What is your section?—I do not remember; it has been subdivided. I have my lease here, which shows 114 acres, Subdivision 2, Section 13, Block II, Ngairi.
4. You are an original lessee so far as you are concerned?—Yes.
5. What is your rent?—1s. 6d. per acre.
6. When you went on the land, what condition was it in?—Very heavy bush.
7. Are you still on the land?—Well, no, I am not; I am living on the proceeds of the land; I sublet it.
8. How long have you left it?—It is getting on for eleven or twelve years. I was compelled to leave it owing to failing sight, or I should have continued on it.
9. What is the value of your improvements on it now?—I put them at £8 an acre.
10. When you took up the lease originally, what did you understand to be the conditions on which the land was let to you?—I understood that I would have it for a term of thirty years, and that if I had to part with it at any time that I would be paid for all my improvements at the expiration of my lease if I did not get a renewal.
11. You say you would be paid for all your improvements?—That was my impression always.
12. Did you understand there was any limit?—No, I did not understand that.
13. Can you tell me what year you went on to the land?—I went there in 1886. I think I took it up in July. Six months had really elapsed when I took it up.
14. Are there any other lessees near you?—Yes.
15. On Public Trustee leases—similar land?—Yes.
16. At that time were there any?—Yes, I believe there was one or two. There were not many on the land then under the 1881 leases.
17. When did you first hear of your right of conversion on this lease to a lease under the Act of 1892?—I should say from two to three years ago. I never heard anything of it before.
18. How came it about that you heard of it then?—I only heard by other people knowing it.
19. What brought it to your notice then?—I heard about those people on the Plains going to Wellington, and I paid attention to what I heard. I heard that there had been a right of conversion granted in 1892. I heard that from several parties. I think I heard it for the first time about a couple of years ago.
20. If you had been aware in the year 1900 that you were not to be paid for all improvements at the end of the term except to the extent of £5 an acre, and if you had been aware that in 1900 you could have got rid of the old lease and taken a new lease, and that by the terms of the new lease you were to be paid full compensation for all improvements, and that your rent was to be fixed at 5 per cent. on the unimproved value in 1900, and that you were to pay the Public Trustee the difference in rent from the year 1892 till the year 1900 as between the old lease and the new lease, would you have considered the question of surrendering your lease and coming in under the Act of 1892?—If I had the opportunity in 1900, then I would have come in under the Act of 1892 and the same valuation as 1892.
21. No, not the valuation of 1892?—I do not know that I would have, because I do not know what my valuation would have been. I have lost all my papers, and I do not know what my valuation was in 1900. The valuation has been going up at a very rapid rate. This piece of land is in Stratford, and it is looked upon as high-class land. I do not know what it would have been valued at, but I believe I would have taken it at the valuation of 1892.
22. Neither in 1892 nor in 1900 were you aware of the right to convert?—No, I was never aware of it.
23. What is the value of your improvements on the land now?—£8 an acre.
24. The date of the subdivision of the original lease is 4th November, 1901?—Yes.
- Mr. Bell:* No questions.

CHARLES ANDREWS recalled. (No. 7.)

1. *The Chairman.*] I understand you desire to amend your evidence in regard to your having read the lease when you signed it?—Yes, I should like to correct that.
2. What is the correction?—I want to say that I did not read it. Mr. Rennell read it over to me. I was no scholar, and I did not thoroughly understand it till I got home and my wife read it to me several times, and then I began to understand it.
3. And then you say you discovered it was not in exactly the same terms as Mr. Rennell represented to you?—Yes. After I had taken the lease home I discovered that. I did not understand it when Mr. Rennell read it to me.