G.—2.

say that. Your Worships will remember that he is particularly hard of hearing. Now, Kelly, I submit, must be taken as an exceptional case, and he is the only one of his kind that your Worships will have to deal with. Now, as to Hastie: He bought in 1897, when, according to the evidence of most of the witnesses, the whole of the terms of the lease except the point in Tinkler's case were generally known. He bought from Milne, who had already applied to convert. Now, Milne, at least, must have understood the position. Hastie complains that he was misled by Milne into thinking that he had got a perpetual right of renewal and full compensation for improvements. Now, your Worships will remember that Hastie told us that his father was the man who really did the business, and that he relied on his father, and it is very unlikely that Hastie's father thought they were getting a perpetual right of renewal, or that Milne told him he was, because if they had a perpetual right of renewal the goodwill would be very valuable. Hastie tells us that they paid £2,200 for the improvements and goodwill, and he goes on to tell us that at that time the improvements alone were worth £2,250. Hastie complains that his improvements are now worth nearly £7 an acre, but he admits that he was not misled by his lease, because he never saw his lease until 1905, after a conversation with Mr. Fisher, when Mr. Fisher told him the whole position. He then goes on to say that had he seen the lease and read it over and found he had not the right of a perpetual renewal he would never have put on so much improvement, so that he only has himself to blame. He is one of the lessees who complains that the Government Advances to Settlers Department was misled, and I think it is suggested that because the lending Departments were misled the lessees relied to a certain extent upon the lending Departments—on the fact that the lending Departments thought there was no limitation. Now, in Hastie's case we have done with the amount of the loan, but in his case the advance was made to him at the end of 1905, after he tells us he knew his whole position. I ought to add, when dealing with this question of the advance to Hastie, that besides the improvements, according to Hastie, at the time the advance was made the goodwill of the lease was worth £67 10s. a year for four years. That was an additional security, if the Department wished to look to it. Now, as to Andrews: He says that Mr. Rennell misled him in the first place. He tells us that Mr. Rennell said he would get full compensation for improvements, and that he would get a perpetual right of renewal. Now, that is extraordinarily unlikely when you come to think that this Mr. Rennell was the Trust Agent who was giving out these leases every day, and who was leasing the land on a plan which contained a statement as to the £5 limitation, and a statement that there was no perpetual right of renewal. Andrews says that he knew of the 1892 right of conversion, and he knew that if he converted he would be restricted to £5 an acre when they were arranging to convert. Section 8 of the Act of 1892 says that the tenant when he converts is to be only charged rent on so much of the improvements as are not within the £5 an acre. He knew of that £5 an acre limitation in the 1892 Act, but this did not cause him to inquire or to consider whether he was already restricted to £5 an acre, although he tells us, under cross-examination, that it did strike him as odd. He admits that when he knew of this right of conversion he made no inquiries as to his position except perhaps in the way of casual conversations with Mr. Samuel and Mr. Fisher. Now, Mr. Fisher was not the Reserves Agent till 1895, so that the conversation with Mr. Fisher could not have had any effect on whether he converted or not. Andrews admits that quite possibly the conversation with Mr. Samuel was also after the first right to convert had expired—he says he does not think it was, but it may have been. Andrews goes on to say that Mr. Samuel lent him £400 on top of £300 which he already had; but I have already pointed out to your Worships that the fact of this loan caunot be taken as an indication of the state of Samuel's mind, even if the state of his mind were in the least material to this inquiry. Now, just let me revert to those three points in Andrews's evidence: First, that Mr. Rennell misled him; second, that he knew of the right to convert in 1892, but did not inquire as to his position; and, thirdly, that he had subsequent conversations with Mr. Fisher and Mr. Samuel. Now, the conversation with Mr. Rennell, even if it is true, which is inconceivable, was a good many years before the right of conversion came along. The conversation with Mr. Fisher was two years at least after the first right had expired, and the conversation with Mr. Samuel may have been after the right of conversion arrival. versation with Mr. Samuel may have been after the right of conversion expired. Therefore, Andrews is alone to blame, since he could have discovered his position by discussing it with other lessees, or—and your Worships will remember that a great number of lessees were then converting, and a great number who knew their position thoroughly well did not convert—he could have gone and inquired at the Public Trust Office. He did neither of those things; and are the Natives to be penalized for that? As a matter of fact, I say at once that I do not believe that Andrews was ignorant; it is inconceivable that he did not discuss his position with other lessees who knew their position perfectly well, and just to test Andrews's credibility, your Worships will not have forgotten his shuffling when I confronted him with the evidence which he gave before the Lands Committee as to what took place on the signing of the lease. Your Worships will not forget that he found it necessary to reconcile the evidence which he gave here and the evidence which he gave before the Lands Committee by drawing a distinction between reading the lease and having it read to him. Now, I think, and I submit that quite possibly Andrews was telling nearer the truth before the Lands Committee when he said he did not read his lease than he was before this Commission when he said he read it and was dissatisfied with it, because when questioned as to the reason for his dissatisfaction his answer was this: that he found that only buildings, fixtures, and fences were to be paid for. Now, that was a point which, according to the lessees, was only discovered when Tinkler's case was decided, and Andrews himself says that Tinkler's case came as a complete surprise to him. Your Worships will not have forgotten Andrews's shuffling when he was confronted with the evidence before the Lands Committee as to value of his improvements at the time he received this loan from Mr. Samuel. Directly he saw the point of my question he was anxious to show that his improvements showed