

scheme is devised I see nothing to be gained by denying to the lessees the right to convert. Taking the two tenures one with the other, I think there is no question but that settlement is best promoted by the second—the converted lease. The disadvantages of the old system are many. At least two years before the end of his lease the lessee gets unsettled as to whether he will get a renewal. He does not carry on his work with energy, because he may never receive the benefit of it; the edge of husbandry is dulled. Then there is the risk of having to pay an excessive rent. It is not good for the country that tenants should be rack-rented—a rack-rented property is a property on the way to wreck. A fair rent only is what should be expected. In these cases a fair rent is fixed as the minimum at which competition begins, and the competition may be malicious or reckless. In Dunedin, where a similar tenure exists, I have known cases where, to gratify a grudge, a man goes and bids against the tenant solely in order to raise the rent on him. The reckless competitor is more dangerous still; he bids any rent to get the land, and gets it. He has perhaps enough money to go into possession and pay the rent for a while, but he had not enough money to work the land or keep up the rent. The result is disastrous to everybody—the old tenant is ousted, the new one is ruined, and the land goes back. Under the second tenure the tenant is encouraged to put all his energy into the place, for he is assured of a perpetual renewal at a fair rent. This is better for the country, better for the district, better for the tenant, better for the land, and better in this case for the Maori except in so far as his immediate rent is concerned. He may get a higher rent by virtue of the competition of which I spoke, but then he runs the risk of having the property depreciated, and in case of ejection he gets no rent at all.

The Chairman: Yes, but all the time the outcome will be this: that at the present time you do not give the Native owners any chance at all.

Dr. Fitchett: If Mr. Bell can devise a scheme by which Natives who are competent to properly work the land can acquire it, it will be a very good thing, and I do not think the present tenants will have any right to complain because their contract is not affected; but if the Commission is satisfied that the Natives cannot, then I see no objection from the point of view of the Natives themselves.

The Chairman: If they do not get some financial support the same as the lessees are getting, then you are virtually tying their legs, and telling them to run.

Dr. Fitchett: Their legs are tied by racial and financial disadvantages, and that is why I am very anxious to learn what practical scheme Mr. Bell can propound. If that can be done I shall be glad to support it, but otherwise, in my view, nothing is to be gained.

The Chairman: I think some scheme ought to be devised whereby the Natives could get some assistance, the same as the pakeha. Surely it is not beyond the range of ordinary probability.

Dr. Fitchett: That is essential from my point of view. There is one very unfortunate element which has entered into these proceedings, or, rather, that arose before the proceedings started, and that is that the Natives have got obsessed with the idea that these proceedings are to give them back their lands.

Mr. Bell: No.

Dr. Fitchett: I speak subject to correction so far as Mr. Bell is concerned, but I know from what the Natives represented to me that in very many cases that is so.

Mr. Bell: That is not so now. There were a few of them who thought that may be so, but I was at pains to put that matter right. They are anxious to get the freehold.

Dr. Fitchett: Well, if that were so they would be terribly disappointed when they understand what the real position is, and I am glad Mr. Bell has cleared their minds on that point.

Dr. Fitchett: Well, if that were so they would be terribly disappointed when they understand licenses?

Dr. Fitchett: There are about 30,000 acres held under occupation licenses, which, as you know, are tenancies at will. There are over 20,000 acres held as *papakāingas*, or commonages. They are occupied without any colour of right, or title, or license, at all. All this large area is available for the Natives by permanent lease. I am sorry to say that hitherto they have made little use of it. The total area of the unconverted leases is about 18,000 acres. There are about one hundred and thirty leases falling in at various dates, and it is only as they fall in that the Maoris can have the opportunity to bid for the land. The total area of the reserves is about 200,000 acres. It will thus be seen that only 18,000 acres—less than 5 per cent. of the leased land—is unconverted, and that over 40,000 acres (more than 10 per cent. of the total) is at present available for occupation by the Maoris. That is the position.

The Commission adjourned till 10.30 a.m. next day.

HAWERA, SATURDAY, 25TH MAY, 1912.

Mr. Bell: Just before calling evidence I want to correct a statement which I made in my opening yesterday. Your Worships will remember that I said there was a letter on the file from Mr. Fisher saying that despite a lawyer's opinion on a certain point he considered that a certain course should be taken in regard to an application by Mrs. McGuire, and stating that "Mrs McGuire is the wife of the member for Hawera." I was wrong in saying that the letter was written by Mr. Fisher. It is a memo. on the file by a clerk in the Public Trust Office at Wellington. The point I made is the same, only I have to apologize for having said it was Mr. Fisher who wrote it. The point I made is that it should not have been necessary on a trust file to call attention to the fact of an application to be dealt with having a political aspect.