

35. What is it being used for?—The tenant is a kind of cattle-dealer, and he uses it for that purpose.

36. *Cross-examined by Mr. Bell.*] Mr. Mackay, I think the Public Trust records show that you purchased this land on the 4th April, 1908?—Is that so?

37. I suppose we may take that as correct?—I cannot tell, but if the Public Trust records show it I suppose that is correct.

38. Now, you have told the Commission that you first found out about the limitation of improvements of £5 an acre when?—Well, at the time this deputation went down to Wellington—two or three years ago; but I cannot fix the date.

39. How did you find out?—This deputation sent a letter asking me to join them in going to Wellington to interview the Government about the leases. That led me to inquire into my position, and I took the trouble to read up the Acts, and found out all the information from other people as well.

40. You have told the Commission that since you ascertained that you were limited to £5 an acre you put no more improvements on the land?—Yes, that is so; but I do not think it would be very much more improved.

41. Now, I repeated those questions to you with a view to giving you an opportunity to correct yourself if you were wrong?—Yes.

42. Do you still stick to those statements?—Yes, to the best of my recollection and belief.

43. Now let me refer to a letter written on the 26th January, 1909, by you to the Public Trustee, Wellington: "Maranui, N.P., 26th January, 1909.—The Public Trustee, Wellington.—DEAR SIR,—I am the holder of a Maori lease of some 147 acres, more or less, near Stratford, and known locally as 'Bates's Farm.' I have cleared, stumped, and ploughed between 80 and 90 acres under the impression that this work would count as improvements. On application to Mr. Jack, your representative here, I find I am mistaken, as you will see from the enclosed memo. lately received from him. I should like to build a house on the section and reside there. The only house there at present is a miserable whare not fit to house a pig. In conversation with Mr. Coutts, the Government Valuer for that part of the district, he expressed the opinion that the improvements I had already made could not be far short of £5 per acre. Under the circumstances, I am at a loss what to do, hence my application to you. If you can give me any advice I shall be much obliged to you. Meanwhile it seems to me a pity to keep back improvements. Can anything be done?—I am, yours faithfully, J. MACKAY." Now, here is the enclosure which you mentioned in that letter: "Public Trust Office, New Plymouth, N.Z., 20th January, 1909.—Joseph Mackay, Esq., New Plymouth.—DEAR SIR,—Your thirty years' lease: The following is the information asked by you this morning: Three months before the expiry of your lease the improvements are to be valued by two arbitrators, one to be appointed by the lessee and the other by the lessor. In case of the arbitrators failing to agree they shall appoint an umpire. The only improvements to be valued shall be buildings, and fixtures, and fencing. No improvements to be allowed in excess of £5 an acre. A fresh lease on the same terms as the old one is to be offered for sale by public tender, subject to the payment by the incoming tenant to the lessee of the value of the improvements.—Yours faithfully, J. B. JACK, Reserves Agent." Then you received from the Public Trustee a letter dated 29th January, 1909, as follows: "J. Mackay, Esq., Maranui, New Plymouth.—DEAR SIR,—In acknowledging the receipt of your letter of the 26th instant, I regret that I can add nothing further to the remarks contained in my Reserves Agent's letter to you of the 20th instant. He has stated the position clearly. The new lease must be put up for public competition in terms of the provisions contained in the existing lease. I return my Agent's letter to you." Now, Mr. Mackay, what have you got to say to that?—It is exactly what I have told you.

44. You have told us in your evidence that since you ascertained your position that you were limited to £5 an acre you had put no improvements on the land. Here is a letter in which you wrote to ascertain your position and stated that you are anxious to put up a house?—Yes.

45. You have told us that you put that house up, and that it cost you £450?—Yes.

46. Now, which of those two statements is correct?—I had undertaken to put that house up for the tenant, and was bound to do it.

47. *The Chairman.*] But that does not get you out of the statement?—No, but I do not see anything wrong in the statement.

48. I understand the statement was that after you had discovered you were only covered to the extent of £5 an acre you put no more improvements on the land?—Yes.

49. Now, Mr. Bell says the letter shows that you built a house after you knew you were limited to £5?—Because I had undertaken to do it before.

50. The letter also says the improvements at that time were nearly worth £5 an acre?—There were improvements put on the land before I got possession of it, but not the house.

51. At the time the letter was written you were aware that the improvements were limited to £5, and were close up to the £5?—All I want to say is that my statement as regards improvements is perfectly correct at the present moment—that £5 an acre would not pay me for the improvements on that land.

52. *Mr. Kerr.*] But the question is that when you put the improvements on, you knew that the improvements were limited to £5?—But I undertook to build the house for the tenant if he required it.

53. But you knew the improvements were limited to £5?—Yes, that is correct.

54. Was it you or your son who paid the £800?—I paid it to Mr. Bates's estate.

55. *The Chairman.*] How long has this tenant of yours been in possession?—Getting on for three years, I think.

*Mr. Zachariah:* Since July, 1910.