

*Mr. De Lautour* : My lease is here, which formally should be taken perhaps as before the Committee. I bought this property from the Bank of Australasia, as recited in my petition, for £2,000. The property at that time having been unoccupied for more than two years, since the default of the original tenants, had gone back very largely, and had practically to be reclaimed. I need not trouble the Committee with that, because it is no part of my claim—the exertions that were necessary in this work to break in that country. My claim rests simply on what took place in 1903. You will observe that the Secretary's report on my petition says—what I at once admit—that I had full knowledge from the time of the partition of the Crown's interest that if I went on with my improvements I went on with them at my own risk. I admit that I knew that, and that was the reason, sir, of my importunity. I went first to the Land Board, and endeavoured to see what was best to be done in my own interests primarily, and in the interests of the Crown secondarily. We were in this position : The Crown as owner was within, say, eleven years of occupation ; I, as the outgoing tenant, also had eleven years' possession to contemplate. At that time markets were not what they are now.

*The Chairman* : Will you make it clear that eleven years was the time.

*Mr. De Lautour* : Well, I take it that 1903 is the admitted date when I knew that I could get no redress for any improvements I put on subsequently, except by arrangement with the Crown. That is common ground between Mr. Mackenzie's memorandum and myself. I did not like to face the position of having to pay rent for eleven years and get nothing for it. Rents certainly were not high—it was 1s. 6d. ; but you will remember, on the other hand, that to fell that bush—the heavy bush of that district costing £3 and upwards an acre—as markets then were, no profits could reasonably be expected ; it was a hopeless proposition. I could not have done it ; there would have been nothing in it for me. On the other hand, if the improvements could be protected in any way, in eleven years that country could be converted into rolling downs, such as they now are, and which are valued by the Crown at £14,000. I brought the matter before Mr. Gold Smith, the Commissioner, and he was of opinion that it was in the interest of the Crown that that land should be improved, should be brought into the best condition possible, so that the highest rent could be obtained when the lease fell in.

*The Chairman* : Who is Mr. Gold Smith ?

*Mr. De Lautour* : Mr. Gold Smith was the Commissioner of the Hawke's Bay Land Board. He pointed out that under similar circumstances, within his knowledge, surrender of the lease had been permitted and a new lease offered to the public—not to the tenant necessarily, but to the public—upon terms as to improvements and ground-rent agreed to with the tenant in possession. I attended the Board, and made a formal application upon those lines. I agreed with the Board what the then value of the improvements were upon that piece of land, and the unimproved value. The application was approved by the Land Board, and sent forward to Wellington for consideration. It was a long time before I could get any answer as to what had become of this application, and at last the only reply I could get was that it had been made a question for the Cabinet. Ultimately I was told that the application had been refused.

*The Chairman* : Do you know what date that was ?

*Mr. De Lautour* : It was the end of 1903. Not getting any reasons for the action of the authorities, I sent one of my sons to Wellington to inquire at the Lands Department, and, if necessary, from Ministers, what the reason was for refusing the Board's recommendation. If I could ascertain it I desired to do so, and, if it was final, to discover what other course was open to me, if any. Mr. Kensington was then Under-Secretary for Lands, and he will inform the Committee what passed between himself, Mr. Seddon, and Mr. Duncan—Mr. Duncan then being Minister of Lands—after my son's interview with the Ministers. My son, unfortunately, is dead. That, of course, seals my mouth as to what he told me. Mr. Seddon and Mr. Duncan and Mr. Gold Smith also have all passed on ; so that I do not pretend, and I will not attempt, to say what passed between my son and myself as to that interview, but rest my case on Mr. Kensington's evidence : only this, that on his return to Gisborne we went on with our improvements, and, with the exception of 60 acres which is left for shelter purposes, the whole of the balance of the lease, which was then in 1903–4 in timber, has been put into good grass. I am absolved from any evidence as to that, because it is all put on record by the Crown. Will you give me the map ? The Crown here gives a full description of the improvements that were on the land. [Map put in.]

*The Chairman* : I do not think that is a matter in dispute.

*Mr. De Lautour* : Well, it says that the whole country, with the exception of a piece of bush that was purposely reserved, has been put into a thorough state of cultivation. The timber has been destroyed and removed where it was heavy ; and the land is in that condition that it is bringing in to the Crown a rental which, based on 5 per cent., shows a capital value of over £14,000. I think the records will show that the price the Crown gave for it was 8s. an acre. Yes ; the Appendix to the Journals for 1896, Volume 3, paper G, page 10, shows the price that was given by the Crown for this interest was 8s. an acre. I think I put it in my petition at £472, and they have now an estate that they value themselves at £14,000. Well, I have no objection to the Crown making a good bargain ; but it proves, if I may venture on argument—it proves the position the Land Board took up in 1903—that it was to the interests of the Crown to allow me to complete these improvements ; and the view taken by Mr. Seddon and Mr. Duncan, as Mr. Kensington will tell you—that it was in the interest of the Crown I should be allowed to go on—has been absolutely supported. The estate that cost the country £472, and which I was paying interest on in my rental of from 14 to 20 per cent. for at least twelve years, and which is now producing a rental equivalent to a capital value of £14,000, was a splendid investment for New Zealand. The converse would have been an unimproved estate of 1,180 acres, which even now could not have been expected to produce a very substantial rental. Then the Crown has received, as you will see by these conditions, £390 for my house, and £525 and £177 for my fences—a total of £892 10s. as against their investment of £472. It is a little difficult to fix what improvements I have made on that country since 1903. There is a letter of mine to the Commissioner of Lands that is