

from any ordinary Crown land. It was held under a Native title when the tenant took up the lease; and the Crown then purchased the freehold. It is absolutely different from any Crown lease.

5. Put it in another way: If you had been asked for your advice at the time, would you have recommended any payment to be made to Mr. De Lautour?—I think I have given you the answer, but I now see your point. If the Minister of the day had agreed to accept surrender of the lease, and to open the land again under the optional system, under competition, it would have been burdened with the value of the improvements. I have said here in the memorandum just read that the value would have been £2,174. Or, better still, to take the memorandum of the Commissioner of Crown Lands on this very point. The Ranger's value of the land is £1 5s. per acre, which would have been loaded upon the land had this proposal been accepted. He finds that the area cultivated out of 1,153 acres was 707 acres, which he values at £2 per acre; the value of the improvements being £1,414. Then there is a dwellinghouse worth £325, outbuildings, fencing, yards, a concrete dip worth £40, and an orchard worth £20; the total value of improvements being £2,174 on the 1,153 acres. That was in 1903.

6. *Mr. Anderson.*] There is one question I want to ask. You have had a great number of these Native leases before you during your term of office?—Yes.

7. In any other case you know of have similar circumstances arisen to those detailed by Mr. De Lautour? No, I do not remember seeing a single other case of the kind. Nearly all the other cases in which the Crown has purchased were leases of forests, and the lessees were entitled to cut down the forests, and then the land came back to the Crown; they were simply timber-felling leases. There was no precedent for dealing with Mr. De Lautour's case. As stated in the memorandum, I could see no reason why it should not be done. We had not at that time any similar case.

8. With your long experience, would you say that the fact would be taken into consideration between the original lessor and the lessees in coming to terms? Would not the fact that there are no improvements to be paid for at the end of the lease be taken into consideration?—That is something I could not tell you. I have no means of answering.

9. I wish to know whether you knew of that practice?—That came up in later years. At that time a man leased a rough block of Native land, and the whole question was that he must improve it for his own benefit.

10. That is the point. So far as one can make out from the evidence the land would have been of no use at all unless it were improved?—None at all.

*Mr. Blair:* May I make a suggestion. At that time the Europeans were purchasing—they had the right to purchase—Maori lands; and after a man had got a lease he immediately set about acquiring the freehold. That was what was done in most cases. Mr. De Lautour purchased the rest of the holding as freehold.

*Mr. Kensington:* As Mr. Blair has explained, at that time when a European obtained a lease of Maori land he set to work to get the freehold.

Mr. C. A. DE LAUTOUR further examined.

1. *Mr. R. W. Smith.*] I should like to know what improvements have been effected since the interview with Mr. Seddon. I understand from Mr. Kensington that in 1903 the total improvements were £2,174. I should like to know what improvements have been effected since then, because I take it those are the improvements we have to consider here?—I have tried to make that clear in the evidence, but it is a little difficult. There is also a letter of mine to the Commissioner of Crown Lands, in which I fix the area then unimproved at 621 acres.

2. At that time?—Yes; that was in 1903, the date of that letter. Then, in addition to that, the balance which had been roughly improved by the first felling has been swept by second fires and resown, and the timber removed from it. I am quite unable to say what is fair compensation for converting the land after the first felling into profitable permanent grasses; it varies so much, according to the circumstances of the district.

3. Are we to understand that since 1903, in addition to going over that, you had felled and grassed 600 acres?—Yes, 621 acres since then. Then there are additions to the house, £200; and the fencing necessary to renew the first matai fencing put in in Murray and Bentley's time; and the subdivisional fences, which have made, as the Crown shows in its map, seven paddocks. I put that fencing at £500.

4. How late did you improve the fences?—They have been kept thoroughly good up to the date of giving up possession to the Crown.

5. The balance, you say, was swept by a second fire and resown?—I suppose during the dry season the bush-fires cleared it off. It was really a fire from a neighbour's. It is difficult to burn that country without injuring somebody.

6. Did you sow it wholly with grass-seed?—Yes, on that occasion. Then a lot of it was stumped, and every precaution was taken to clear the ground as well as we could.

7. Over what area was the sweep?—I could not say. I will go so far as to say we have made at least 500 acres of good permanent pasture, but I could not give the exact figures.

8. Just in conclusion, what improvements were paid for under the lease?—None at all. We have not been paid a shilling, and we admit we have no right to payment unless by arrangement we should be paid; but my point is that a compact was made in 1904. I have loyally fulfilled my part of that contract, and so I hope the Crown will fulfil theirs. Their own evidence shows what I have done. The map shows the improvements have been done as well as can be.

9. If it had not been for that compact you would not have gone on improving?—Certainly not.

10. *Mr. Statham.*] In the lease you bought from the Bank of Australasia, there was no provision at all for the valuation of improvements?—No; but we had the right of purchase.

11. An actual right of purchase?—Not under the lease, but under the law it was perfectly legal to acquire the interests of the Natives. There were two leases. The Crown's interest was acquired afterwards, and we had no knowledge of it even when I bought, because the Crown bought in a royal way. "Whakaangi" was a general term for that district. As it happened, the Crown and I