

fore the rents, which in many cases were high, were only given on the prospective value. But though the improvements are supposed to be secured to the tenants, not one-tenth will be, and on revaluation the nine-tenths will go to swell the value on which the rent is assessed, as the "improvements" in sight are a mere trifle of the actual improvements resulting from years of labour and the expenditure of capital (probably equalling three or four times the original value of the land) necessary to convert the bush and swamp wilderness into meadow land; from roading by means of rates and special loans, all paid by the tenant, no subsidy being received as in the case of Crown lands; from the building of factories, &c., all of which directly raise the value, and all of which were necessary before the land gave any return; and then years were required to recoup lessees for rents, rates, interest, &c., paid during years of unproductiveness. A grave injustice is suffered, as, though the improvements are the property of the tenant, the Public Trustee compels tenants to insure all buildings in his (the Public Trustee's) name, and only in an office approved by him.

3. That leasehold, especially Native, without the right of purchase, has many drawbacks, and is against the interest of the occupier, the district, and the country. It is difficult and costly to raise money on, especially so with the insurance clause. It is insecure, hampered with restrictions and conditions, and altogether inimical to prosperous and permanent settlement.

4. That your petitioners submit that with the right of purchase they would be in a much better position to make financial arrangements; that with the security of a freehold tenure they would be much more likely to be permanent settlers, to make more substantial improvements, to plant for shelter and timber purposes, and otherwise improve their holdings to the benefit of the country generally.

5. That with a freehold, and consequently permanent substantial homes and improved surroundings, their families would, instead of drifting into the towns, remain on the land.

And your petitioners, as in duty bound, will ever pray.

REPORT OF PUBLIC TRUSTEE.

The Clerk, Lands Committee,
House of Representatives, Wellington.

Wellington, 7th October, 1904.

SIR,—

I forward herewith files relating to the West Coast Settlement Reserves, which may be of use to your Committee in dealing with the petitions by lessees of these reserves who desire to obtain the freehold thereof.

Regarding the statements in the petitions I would remark:—

1. The request that the tenants be allowed to purchase at a price 20 per cent. above the value fixed when the leases were granted is an absurd one. Most of these leases were granted before the recent advance in Taranaki land values, and 20 per cent. increase on the then value by no means represents the present capital value of these leasehold areas. Here are two examples:—

(a.) Lessee T. A. Watts, 100 acres, Section 38, Block X., Ngaere Survey District. Annual rental, £16 12s. 6d. This represents a capital value of £322 10s. Add 20 per cent. or £66 10s. Total, £399.

Present Government value, £2,480. Improvements, £655. Unimproved, £1,825.

The petitioners therefore propose to take from the Native owners in this case property worth £1,825 and give them for it £399.

(b.) Lessee W. R. McLean, 443 acres, Sections 42 and 43, Block XV., Kaupokonui. Rental, £50 15s. per annum. This, capitalised at 5 per cent., represents £1,015. Add 20 per cent., £203. Total to be obtained under the proposal of petitioners, £1,218.

Present Government value, £6,283, being improvements, £1,630; unimproved value, £4,653.

The petitioner's modest proposal is to take property worth £4,653 from the owners in exchange for £1,218.

The position of the Native owners under a rental at 5 per cent. on present values would be:—

Case (a.) Rental receivable, 5 per cent. on £1,825 = £91 5s. per annum.

Case (b.) Rental receivable, 5 per cent. on £4,653 = £232 13s. per annum.

The petitioners, therefore, would give the Natives in Case (a) a sum of money that at 4 per cent. would bring them in an income of about £16 per annum instead of £90 per annum, the present annual value of their land; and in Case (b) the sum to be paid would give an income of £60 18s. per annum instead of £232 13s., which is the present annual value of their interests. There are hundreds of other leases in the same position. To do as petitioners ask would be to inflict a grave wrong on the Natives interested.

2. The "great disadvantages, hardships, loss, and certain injustice" that the petitioners are exercised about, as set forth in paragraph 2 of their petition, are largely anticipations of coming evils that do not now, and never will, exist. The wild statements that "though the improvements are supposed to be secured to the tenants, not one-tenth will be, and on revaluation the nine-tenths will go to swell the value on which the rent is assessed," is an opinion merely, founded on false premises.

The tenant, under the provisions of his lease, has an equal voice with the Public Trustee in fixing the value of improvements, and such rash statements are altogether premature. The