

local taxation of the local bodies under whose jurisdiction they reside, and that in order to enable them to pay the taxes they must utilise their lands, or alienate to those capable of utilising the same. We are of opinion that, if the Legislature had in the past devoted more attention to making the Maori an efficient farmer and settler, the problems of the local and general taxation would have been long ago solved. Even now the question of local rates must to a large extent be governed by the position of the titles and by considerations of the reasonable difficulties that confront the communal landowners. Where the lands are individualised, or held in family holdings and in such a position that only the sloth of the owners prevents proper occupation, the local rates should be enforced.

In connection with this question we wish to direct Your Excellency's attention to a memorandum we received from the President of the Maniapoto-Tuwharetoa Maori Land Board, which we have attached as an appendix to this report. It refers to taxes payable on standing timber.

We have much pleasure in presenting this our final report. We have to thank the officers of the various Departments of State—more particularly the Native Department, the Lands and Survey Department, and the Printing Department—for the valuable assistance they have given us.

We have the honour to be
Your Excellency's most obedient servants,

ROBERT STOUT, | Commissioners.
A. T. NGATA, |

APPENDIX.

In reply to your memo. of the 10th instant, I have again seen Mr. McGowan, the Officer in Charge of the Valuation Department, with respect to the taxes payable on standing timber.

He states that, immediately there is a local body in existence in any district and any European occupier of any Native land, the value of such land and the milling-timber standing upon it is assessed and rates are payable upon it by the occupier. Under the Act the occupier is primarily liable; but the owner may covenant not to avail himself of the provisions of it, as has been done in the case of the Tongariro Timber Company. The value for rating purposes is not based on the consideration the Natives are receiving for the timber, but is assessed independently of that, and is almost invariably placed at a much lower figure. But, in any case, immediately there is a European occupier of land, some value, however small, is placed upon the millable timber, and rates are payable on it if there is a local body in existence to collect them. The value also of the timber on any block may increase as time goes on and it becomes more accessible by reason of the tramways of the purchaser coming closer to it or by roads being formed in the locality, &c., and any sum, however small, payable annually will total up to a considerable amount at the end of, say, forty years. As soon as the timber is cut off, a proportionate reduction is made in the rates.

My contention is that the law requiring the payment of rates on standing timber is unjust in its operation, whether they are paid by the European occupier or the Maori owner. In cases where there is a large area of timber purchased, some of it may not be cut for twenty-five, thirty, or even forty years, and during that period the Native owner or the European occupier may have paid the value of the timber three or four times over in rates.

The law presses especially hard on the Native vendors where, as in the case of the purchase by the Tongariro Timber Company, it is provided that they should pay the rates, in that their hands are practically tied. They cannot do anything with the land until the timber is cut off, and they have no right to go to the purchaser and direct him to fell that on any particular block. They have to wait the purchaser's convenience, and it may suit him to allow the timber to stand on one or two blocks till very near the end of his term. The timber may have been cut off the adjoining blocks, the owners may have been paid in full, and may even have leased the land and be deriving revenue from it, whilst, as regards the block on which the timber is standing, all the owners can do is to sit down and wait in the hope of getting something when the timber is cut off, if there is any balance payable to them after providing for rates and taxes. Again, the position of the Board in regard to the Tongariro Timber Company's agreement is not, I think, very satisfactory. The Board, as agent for the Natives, will have to pay the rates and taxes. Would it be justified, under the circumstances, in paying any royalty at all to the owners of the blocks on the Taupo side, seeing that it may be years before the timber is cut off, and in such case the rates and taxes payable during that period may amount to as much as, or even more than, the Natives are getting for the timber? It is possible, under the Tongariro Timber Company's agreement, that the company may have paid for the timber on any block long before it is cut off. The Board is entitled to deduct 5 per cent. only from the royalty for payment of taxes and rates. The balance is paid to the Natives as it is received. What would be the position of the Board if, after the 5 per cent. is exhausted and the balance of the royalty paid to the Natives, the timber is