1909.

NEW ZEALAND.

NATIVE LANDS AND NATIVE-LAND TENURE:

(FINAL REPORT OF NATIVE LAND COMMISSION).

Presented to both Houses of the General Assembly by Command of His Excellency.

Native Land Commission, Wellington, 21st December, 1908.

To His Excellency the Governor.

MAY IT PLEASE YOUR EXCELLENCY,—

We have the honour to present our final report, which, according to the terms of Your Excellency's Commission dated the 21st day of January, 1907, we were required to transmit not later than the 1st day of January, 1909, or such extended date as Your Excellency might name after the said 21st day of January, 1907. By section 52 of "The Native Land Settlement Act, 1907," it was provided that the powers and functions vested in us as a Commission by the instrument of our appointment or by the said Act should, unless sooner determined by Your Excellency, cease and determine on the 1st day of January, 1909.

Before proceeding to review the work accomplished by the Commission we deem it necessary to state approximately the position of Native lands in the North Island, and the limitation imposed upon the scope of our inquiries by the terms of Your Excellency's Commission and by the Legislature.

It was manifest that the inquiry contemplated by paragraph 3 of the Commission could not be made in respect of "papatupu" lands—*i.e.*, lands the titles to which have not been ascertained by a competent tribunal. The definition of "Native land" in "The Native Land Settlement Act, 1907," excluded "papatupu" land from the jurisdiction of the Commission, inasmuch as its recommendations in respect of such land could not be carried into effect under the Act. The area of "papatupu" land in the North Island is as follows (showing also the distribution of such lands):—

County.	Acres.
Waiapu	149,285
Opotiki	140,000
Rotorua	6,716
Kawhia	45,170
North Auckland	127,581
	468,752

From information available, this area comprises some of the best virgin lands in the North Island. The area in the Kawhia County consists of the valuable Moe-

rangi or Matakowhai Block, lying between Kawhia and Pirongia, and impeding the proper settlement of lands in that district. The papatupu lands near the East Cape have been characterized by a competent valuer as the best virgin-bush lands in the North Island from the standpoint of the pastoralist. Those in the Bay of Plenty, though not as rich as the lands adjoining on the east coast, are healthy grazing-country, two-thirds of which will carry surface-sown English grasses and clovers. We have remarked in detail in previous reports on these lands and on the papatupu areas in the North of Auckland district. There is no royal road to the settlement of these lands except by first clothing them with titles, and ascertaining the owners.

Another class of land taken out of our jurisdiction by Parliament (section 3, "Native Land Settlement Act, 1907") consists of trust lands and lands held under special Acts. We give a summary of the areas so held:—

Act.	Area. Acres.
The Thermal Springs Districts Act	300,000 (approximately).
The Urewera District Native Reserve Act	646,862 ,,
The West Coast Settlement Reserves Act	193,272 (see G.–2, 1907).
The Native Townships Act	3,488
The Kapiti Island Native Reserve Act	5,005
The East Coast Native Trust Lands Act	186,388 (see G.–iii, 1908).
Vested in Maori Land Boards	374,856
Total	1,709,871

To this class properly belong lands held under trust by Trustees appointed under "The Native Land Laws Amendment Act, 1897," or private estates such as the Wi Pere Trust and reserves administered by the Public Trustee other than reserves under the West Coast Settlement Reserves Act. We give the totals of these as far as we have been able to ascertain them:—

	Acres.
Wi Pere Trust Estate	38,168
Lands administered by Trustees under "The Native Land Laws Amendment Act, 1897"	88,976
Lands administered by a receiver appointed by the Validation Court ..	12,325
Reserves administered by the Public Trustee other than West Coast Settlement Reserves	5,718
Total	145,187

These were not expressly excluded from review by the Commission, but the terms of the various trusts and of the legislation creating them precluded our dealing with such lands except in some special way, if matters affecting them were brought under our notice.

Lastly, the terms of Your Excellency's Commission (paragraph 1 refers specifically to Native lands unoccupied or not profitably occupied) and the nature of the contracts took out of the scope of our inquiry lands which were under lease or subject to *bona fide* negotiations for lease (apart from trust lands whether vested in boards or trustees or the Public Trustee). We have not interfered with such contracts or negotiations, except to point out in some cases what we thought were transactions contrary to public policy, though permitted by law, and except where the parties asked us to intervene so as to recommend a settlement of outstanding difficulties to Your Excellency and the Parliament.

It has been exceedingly difficult to obtain reliable data as to Native lands under lease or negotiations for lease. Where the leases were registered or had been approved by the Maori Land Boards the information was readily available. In the case of unregistered leases we had to depend on the knowledge of leading Maoris and others in various districts. As far as we have been able to ascertain, the area of Native lands (other than trust lands) under lease or under negotiation for lease is approximately 2,350,000 acres; it will probably be found that the correct amount is nearer 2,400,000 acres.

To sum up, the area of land directly or indirectly taken out of the scope of our inquiry, either because the title had not been ascertained, or because the title was

of such a nature that the land could be administered in the interests of general settlement, or because the land was already profitably occupied and utilised by Europeans, was as follows:—

	Area. Acres.
1. Papatupu land	468,752
2. Lands held under special Acts or vested in Maori Land Boards	1,709,871
3. Special trusts and reserves administered by the Public Trustee (other than West Coast Reserves) ..	145,187
4. Lands leased or under negotiation for lease ..	2,350,000
Total	4,673,810 (approximate).

No return has yet been compiled showing correctly the total area of land of all classes owned by the Maori people in the North Island. We have estimated the area at present owned by them at 7,465,000 acres.

There was therefore available for inquiry by the Commission an area of, approximately, 2,791,190 acres.

It appeared to us at the outset that the Wellington and Taranaki Provinces (except Upper Whanganui) and the southern portion of Hawke's Bay were most favourably situated with regard to the settlement of Native lands; that in those districts the most valuable lands were efficiently occupied, and did not present features of such urgency as other parts of the North Island; that there the Native Land Court had been more active (probably because the lands were more accessible, and their richness and value made them more capable of bearing the costs of survey and litigation) in the determination of titles, and the subdivision of lands into family and individual holdings. The most backward districts from the standpoint of both efficient occupation and settlement and the determination of titles were on the east coast between Wairoa and Cape Runaway, in the Bay of Plenty, Upper Whanganui, the King-country, Waikato and Thames, and the North of Auckland. In fact, the most pressing need was in the Auckland Province, and there the Commission has expended most time and labour.

Review of Commission's Work.

It is our duty to review the work that the Commission has done since its appointment, to summarise the areas affected by its recommendations, including those of a character requiring legislation, and to show how far Parliament has given effect or made provision for giving effect to such recommendations.

Sittings, and Districts visited.

Since its appointment the Commission has held sittings at the following places: Wellington, Masterton, Napier, Tangoio, Mohaka, Wairoa, and Nuhaka, in the Hawke's Bay District; Gisborne, Tolaga Bay, Tokomaru, Waipiro Bay, Waiomatatini, and Te Araroa, in the Poverty Bay district; Raukokore, Omaio, Torere, Opotiki, Whakatane, Ruatoki, and Rotorua, in the Bay of Plenty district; Tauranga, Coromandel, Thames, Te Aroha, Morrinsville, Wanganui, Pipiriki, Maraekowhai, Taumarunui, Te Kuiti, Otorohanga, Kihikihi, Huntly, and Auckland, in the Waikato and King-country; and the following places north of Auckland: Helensville, Dargaville, Whangarei, Russell, Kawakawa, Kaikohe, Waima, Kohukohu, Opononi, Pakanae, Ngarongotea, Ahipara, Whangaroa, and Mangonui.

We considered it our duty wherever possible to meet the Maori owners of the lands, and to ascertain from them their wishes with regard to the disposition and settlement thereof. While making ample provision to meet the views of the minority or of individual owners whenever possible, we were guided by the expressed wishes of the majority so far as they were ascertainable in the open sittings of the Commission, and we can say that with very few exceptions the recommendations we have from time to time made in our reports were in accordance with the wishes of the Maori owners of the respective blocks.

We have from time to time forwarded for presentation to Your Excellency the following reports, which are arranged in the order of their respective dates. The corresponding number of the parliamentary paper of the session in which it was laid before Parliament is (except as to reports presented since the general elections of 1908) shown against each report for purposes of reference :—

SCHEDULE OF REPORTS.

No.	Subject.	Date.	No. of Paper.	Session.
		1907.		
1	Waimarama Estate and Poukawa Reserve (Hawke's Bay) ..	March 20 ..	G.–1 ..	1907.
2	Wairoa County	,, 22 ..	G.–1 ..	1907.
3	Whanganui District	April 22 ..	G.–1A ..	1907.
4	Rohe Potae (King-country)	July 4 ..	G.–1B ..	1907.
5	General Report	,, 11 ..	G.–1C ..	1907.
6	Supplementary Report on Nuhaka, King-country, and Tutira (Wairoa)	Aug. 5 ..	G.–1D ..	1907.
7	Otawhao and Rakautatahi (Hawke's Bay)	,, 16 ..	G.–1E ..	1907.
8	*Re* Tauwhareparae, for Order in Council under section 10, Act of 1907 (Waiapu County) (telegraphed)	Dec. 20 ..	G.–i ..	1908.
		1908.		
9	Waiapu County	Jan. 18 ..	G.–i ..	1908.
10	Waimarama, defining area for lease to Miss Meinertzhagen (Hawke's Bay)	Feb. 8 ..	G.–ii ..	1908.
11.	Cook County	,, 18 ..	G.–iii ..	1908.
12	Waimarama Estate, further (Hawke's Bay)	March 3 ..	G.–1 ..	1908.
13	Rotorua County (first)	,, 10 ..	G.–1E ..	1908.
14	On the operation of section 11, "Native Land Settlement Act, 1907"	,, 11 ..	G.–1F ..	1908.
15	Wanganui, Waimarino, Rangitikei, and Waitotara Counties ..	,, 12 ..	G.–1B ..	1908.
16	Urewera Native District Reserve	,, 13 ..	G.–1A ..	1908.
17	Whakatane County	,, 23 ..	G.–1C ..	1908.
18	Tauranga County (interim)	,, 28 ..	G.–1D ..	1908.
19	Waitemata, Rodney, Otamatea, and Hobson Counties ..	April 6 ..	G.–1G ..	1908.
20	Rotorua County (further)	,, 16 ..	G.–1H ..	1908.
21	Recommending Order in Council under section 10, Act of 1907, for lands in Hokianga and Bay of Islands	May 11 ..	G.–1I ..	1908.
22	Similar recommendation for lands in Hokianga and Mangonui	,, 15 ..	G.–1I ..	1908.
23	Whangarei, Hokianga, Bay of Islands, Whangaroa, and Mangonui Counties	June 10 ..	G.–1J ..	1908.
24	Tauranga County (further)	,, 11 ..	G.–1K ..	1908.
25	Pakowhai Reserve (Hawke's Bay)	,, 11 ..	G.–1L ..	1908.
26	Opotiki County	,, 17 ..	G.–1M ..	1908.
27	Rotorua County (further)	,, 18 ..	G.–1N ..	1908.
28	Rohe Potae (King-country), comprising Waitomo, Awakino, Kawhia, and West Taupo Counties	,, 19 ..	G.–1O ..	1908.
29	Orakei Native Reserve	July 30 ..	G.–1P ..	1908.
30	Summary of Reports	Aug. 12 ..	G.–1Q ..	1908.
31	Wairarapa District (interim)	Sept. 1 ..	G.–1R ..	1908.
32	Coromandel County (interim)	,, 8 ..	G.–1S ..	1908.
33	Timber lands, Taupo District	,, 11 ..	G.–1T ..	1908.
34	Amending report G.–1P, on Orakei Native Reserve ..	Oct. 2 ..	G.–1U ..	1908.
35	Piako County	Dec. 15 ..	..	..
36	Manukau, Waikato, Thames, Ohinemuri, Kawhia, Waitomo, West Taupo, and Coromandel Counties ..	,, 16 ..	..	..
37	Raglan County	,, 17 ..	..	..
38	Hawke's Bay, Waipawa, Patangata, and Rangitikei Counties..	,, 19 ..	..	..
39	Masterton, Featherston, Wairarapa South, Pahiatua, Eketahuna, and Castlepoint Counties	,, 19 ..	..	..
40	Cook County (further)	,, 21 ..	..	..
41	Supplementary report, miscellaneous blocks and matters ..	,, 21 ..	..	..
42	Final report and summary	,, 21 ..	..	..

Thus making a total of forty-two reports, inclusive of the present.

The following is a summary of the areas dealt with by the Commission in the various reports, and subject to its recommendations:—

SUMMARY OF AREAS DEALT WITH.

County.	For General Settlement.	For Maori Occupation.	Special Recommendation.
	A. R. P.	A. R. P.	A. R. P.
Mangonui	7,801 1 34	23,236 2 23	..
Whangaroa	10,798 3 6	13,148 1 22	..
Bay of Islands	90,056 2 34	68,574 1 22	..
Hokianga	54,787 1 38	81,073 1 15	..
Whangarei	13,098 1 26	15,674 0 19	..
Hobson	15,079 0 0	13,484 0 11	..
Otamatea	412 0 0	5,034 1 39	..
Rodney	2,012 3 28	10,346 2 11	..
Waitemata	1,828 0 34	2,681 2 9	..
Manukau	8,916 0 0	22,538 0 0	..
Waikato	4,494 3 36	2,521 3 34	..
Raglan	15,662 3 24	66,704 1 18	..
Piako	300 0 0	27,126 1 31	..
Thames	5,978 0 0	1,828 2 38	..
Ohinemuri	13,268 2 12	4,435 1 10	..
Coromandel	2,653 0 0	18,015 1 12	..
Tauranga	19,603 2 14	40,464 2 7	..
Kawhia	14,487 2 12	8,470 1 29	..
Awakino	9,096 3 19	10,175 0 8	..
Waitomo	118,972 3 27	87,236 3 34	3 3 0
West Taupo	156,250 3 23	32,611 3 31	135,000 0 0
Waimarino	8,095 0 0	48,032 3 7	..
Waitotara (part Stratford and Patea)	53,938 0 0	25,299 0 0	..
Wanganui	..	3,720 2 33	..
Rangitikei	..	8,992 0 23	..
Rotorua	..	..	201,877 1 18
Whakatane	12,858 0 0	33,454 1 16	108,750 2 0
Opotiki	8,987 2 16	29,686 3 0	6,733 0 0
Waiapu	3,037 3 37	66,239 2 38	..
Cook	..	30,129 0 0	..
Wairoa	10,147 0 0	48,623 0 0	20,490 0 0
Hawke's Bay	7,367 0 0	6,586 0 0	4,283 0 0
Waipawa	3,469 3 12	6,038 2 11	..
Masterton	..	5,294 2 35	..
Featherston	22,800 0 0	..	..
Totals	696,260 2 32	867,479 1 24	477,137 2 18

Grand Total.

	A.	R.	P.
Recommended for general settlement	696,260	2	32
Recommended for Maori occupation	867,479	1	24
Subject to special recommendation	477,137	2	18
Grand total	2,040,877	2	34

Of the area subject to special recommendation, 201,877 acres 1 rood 18 perches is in Rotorua County and subject to the Thermal-Springs Districts Act, and 28,000 acres is in the Urewera Country and subject to the special Act affecting that district. These areas are excluded from the jurisdiction of the Commission, and included in the total of 4,673,810 acres noted above. There is thus left a total area of 1,811,000 acres subject to the recommendations of the Commission which may be carried into effect under the legislation of 1907.

Referring further to these areas in the thermal-springs districts and the Urewera country, we may say that Parliament has given effect to our recommendations, whereby a total area of about 150,000 acres will be available for general settlement.

An analysis of the balance of the area subject to special recommendation shows,—

	Acres.
Subject to timber agreements validated by Parliament rendered available for profitable settlement	135,000
Subject to Tutira and Waimarama leases, validated by Parliament ..	24,773
Recommended to be incorporated and made available for sale or lease ..	115,483
	275,256

This area should be added to the total of lands recommended for European settlement.

Altogether the area available for general settlement under our recommendations will be 1,121,516 acres, and for Maori occupation 919,361 acres.

The area of Native lands in the North Island that we could have inquired into had there been time we estimate at 980,190 acres. We estimate that 400,000 acres of this area is in Hawke's Bay, Wairarapa, Manawatu, and the west coast, and consists for the most part of lands either in the occupation of the Maoris or of so poor a quality (like the Owhaoko and Oruamatua-Kaimanawa Blocks) that, although accessible, settlement has not been attracted to them. The rest of the lands not dealt with are in the Auckland Province—by far the largest area being in East Taupo County, which we have not touched at all, and consisting of uninviting pumice land, without the magnificent timber which has made the West Taupo lands so valuable.

Although the Urewera district was expressly excluded from the operation of "The Native Land Settlement Act, 1907," the legislation of 1908 (the Maori Land Laws Amendment Act) will, in our opinion, expedite the settlement of lands in this district, and open up nearly 180,000 acres which the Urewera Natives are offering for sale and lease.

We regret that time has not allowed us to visit the Natives of the Provincial District of Taranaki. We had requests from the Taranaki Natives to visit them, but up to the present we have not been able to do so. This we much regret, as they feel that they have grievances, and they no doubt will feel that they have not been treated like their compatriots in the other provincial districts if the Commission does not visit them.

General Remarks.

We have the honour to submit for Your Excellency's consideration remarks of a general nature on certain aspects of the Native-land problem.

1. *Administration.*

We are of the opinion that the legislation now on the statute-book, though it urgently requires consolidation and slight amendment to harmonize conflicting details, is sufficient to settle the Native lands in the North Island. The Legislature has armed the various Departments of State and the Government with ample powers: what is required is prompt and efficient administration. The bulk of the lands dealt with in our various reports consisted of large communal blocks, the titles to which were imperfect—were at least insufficiently advanced to enable the owners to deal with them satisfactorily. Where the lands had been subdivided by the Native Land Court into individual and family holdings, and into small blocks of high average value, we were satisfied to exclude them from our recommendations, if the owners so asked, and expressed a wish to effect the alienation themselves. For this class of land it is necessary that the partition orders of the Native Land Court should be completed with as little delay as possible by surveys, so that the titles may find their way on to the Land Transfer register.

Where the lands are vested in the Maori Land Boards for administration the necessity for extensive surveys for settlement purposes is greater still, being required not only for the purpose of completing the Board's title, but also for subdivision into suitable areas for sale and lease.

It seems to us that, unless the State renders liberal assistance in advancing the cost of these preliminaries and in providing experts, the settlement of the large area covered by our recommendations will be seriously delayed and the purpose of the Legislature defeated.

Much of the detail work is necessarily left to the Native Land Courts and Boards, the former to effect the partitions we deemed necessary (and indicated in our reports), the latter to locate reserves, papakaingas, and areas for Maori occupation and for general settlement respectively. We could do no more than indicate in a general way the proportion of each block (in the case of many of the larger communal blocks) for Maori and for European settlement respectively. In the final adjustment of such details we trust that the Boards will consult the wishes of the Native owners. Thus, in the case of lands recommended to be leased to Maoris, the nomination of tenants where desirable must be subject to the wishes of the owners.

The Boards have judicial duties to perform in the approval of leases and the recommendation of alienations by way of sale. These duties necessitate that at least one member of a Board should be competent to act in a judicial capacity, more especially as last session the confirming powers hitherto exercised by the Native Land Court have been transferred to the Boards. Yet, in order that the Boards may fulfil the purpose for which they were created by the legislation of 1900 and subsequent years, it is necessary that their constituent members should have experience of valuing and preparing lands for subdivision and settlement. This should be the dominant characteristic in the constitution of each Board.

The Maori owners have shown hesitation in intrusting the administration of their lands to the Boards, because of their fear of the heavy burdens that surveys and roading would entail upon their lands. This fear is not unjustifiable. We are of opinion that the least expensive as well as the most expeditious manner of carrying out the surveys is to have in each Board district a competent Director of Native Land Surveys, with authority to employ other surveyors and necessary staffs to conduct the surveys under his active supervision.

2. *Native Land Court.*

We have already referred to the large area (nearly half a million acres) of papatupu lands that have not been clothed with any title, and, as to nearly one-half of the area, lands that have not yet been surveyed for investigation purposes. In our report on Opotiki County (G.-1M, 1908) we said,—

"At this advanced stage of the history of New Zealand there should not be any such thing as papatupu land. If the energies of the Native Land Court and the resources of the Native Department were directed more to these virgin districts and less to the more settled portions of the North Island, settlement would extend more rapidly and with greater benefits to the Dominion."

We are glad to note that the investigation of titles to lands near the East Cape is proceeding as expeditiously as possible, and that arrangements have been made for Courts to sit in the North of Auckland and in the Waikato to deal with the papatupu lands there.

The Court is becoming burdened more and more with succession claims and with applications for partition. The cause-lists of the various Courts are extremely congested with cases of succession. It seems to us that until regular circuits are established the work of these Courts cannot be properly and effectively organized. It is true that during the last two years special business created by "Washing-up Acts" has disorganized the sittings of the Courts more than is usual. There must in the nature of things be a large mass of emergency cases, special appeals, or inquiries. These may be met by the appointment of emergency Judges.

In our opinion the Judges may be relieved of much of the routine work—and in this category may be classed the majority of succession claims—if the Registrars of the Court were appointed Sub-Commissioners for the purpose of dealing with succession cases, claims for adoption, and the like. The Native Land Court Bench should as far as possible be recruited from the Registrars of the Court—men who by their experience and training are familiar with the requirements of the offices, where the orders are eventually duplicated and recorded, and in many cases drawn up for the Judge's signature. At present much of the Court-work is behindhand because of the inexperience of some of the Judges, or of the necessities of travel, so that the only record for months of an important order may be the brief entry in a minute-book.

The Dominion must be reconciled, for very many years to come, to the continued existence of the special tribunals created to deal with Native-land titles. The process of individualisation (with the attendant incidents of succession by will or on intestacy) must go on wherever the value of the land makes it desirable. At the same time the consolidation of scattered individual or family interests by series of exchanges into compact holdings must become more and more an important feature of the work of the Court. Its special functions will not cease until the Maoris as a whole are competent to understand the system of European pleadings, or have readier access to the Land Transfer and Deeds Registration Offices.

3. *Consolidation of Native-land Laws.*

We considered that it would be beneficial if the various Native-land laws, amounting to more than sixty different statutes, were consolidated. We have done part of this work, but we regret that the time at our disposal—namely, to the end of this year—will not suffice to finish this important undertaking. It was not referred to us by the terms of Your Excellency's Commission, but we were impressed from the first with the necessity of such a consolidation.

In our opinion, however, the Native Land Acts cannot be consolidated in the proper sense. There are so many conflicting provisions, so many sections worded in a general way yet passed for special and often temporary purposes, that consolidation, properly so called, would be impossible. To take one or two instances: The interpretation of "Maori land" or "Native land" varies with each Act that is passed. What is "Native land" for the purpose of one Act differs from the same by a qualification or a limitation of meaning when applied for the purpose of another Act. So with the definition of a "Maori" or a "half-caste." What is required is an Act or a number of Acts repealing existing general enactments and re-enacting same with necessary amendments.

It will be found that at each step in the construction of the new measure or measures questions of policy await the decision of the Government and of Parliament. To deal with one department of the Native-land laws—that concerned with the investigation and determination of titles—the rules with regard to succession and the effects of wills and adoption need revision. In cases of intestacy, is the estate to go indiscriminately to the next-of-kin, or should there be an equitable distribution having regard to the value of the inheritance and the number of successors? We have known of a case where an interest of 20 acres, leased at an annual rental of 6d. an acre, was awarded to forty-three successors, from whose first year's rent the sum of 7s. was deducted for the order and swearing-fee! As the years go on, cases of the kind must multiply, for the movements of the Maori people are bringing about an intermixture of the tribes, a widening of kinship, and therefore an extension of the area of search for next-of-kin. A policy of individualisation or of consolidation of interests by exchanges may be ignominiously defeated by a conservative adherence to the present Native Land Court custom of succession. In regard to wills, the question arises whether wills should not be made to affect restricted lands—whether they should pass the estate of a Maori to a European. These and other questions will arise, and demand a revision of policy at every step in the "consolidation." There is more debatable ground when the laws relating to the alienation of Native lands come under consideration. The battle of policies has waged upon and round this, and the result is only too evident in the measures on the statute-book. A consolidating measure would be valuable as an effort to take stock of the progress made along many lines up to the present. The supporters of the rival policies will probably find that the experience of years has produced a workable compromise, sufficiently elastic to meet the various elements of an intricate problem and the special circumstances of the Maoris in the different districts, though not entirely satisfactory to either party.

In our general report dated the 11th July, 1907 (G.–1c, 1907), we gave an exhaustive review of past policy and legislation, and made a number of recommendations, some of which have been adopted in "The Native Land Settlement Act, 1907." We refer to it here for the purpose of repeating an opinion we then expressed—namely, "To our minds what is now the paramount consideration—what should be placed before all others when the relative values of the many elements that enter

into the Native-land problem are weighed—is the encouragement and training of the Maoris to become industrious settlers. In dealing with the lands now remaining to the Maori people, we are of opinion that the settlement of the Maoris should be the first consideration."

It may be difficult for the Legislature to express in the connected provisions of a statute its indorsement of such a policy, but we are assured that it can be done effectively if the Legislature is willing to adopt it.

4. *Taxation, General and Local.*

At many meetings of the Commission complaints were made to us of the taxation imposed on Maori lands.

So far as the land-tax is concerned, the Native owners said that, though only half the tax was imposed (and that only on Native land leased), no exception was given to them, and that in most of the blocks the individual interest did not exceed in value £500 each. There were, for example, blocks leased where the number of owners was from fifty to one hundred and fifty, and none of the owners owned interests that were worth £500. In some instances the land-tax absorbed more than half the rent of the land leased. Subsection (*a*) of section 46 of "The Land and Income Assessment Act, 1908," which is the same provision as was in section 36 of "The Land and Income Assessment Act, 1900," states, "Such land shall be liable to one-half of the ordinary land-tax (but not to the graduated land-tax) in respect of the Maori owners' interest therein."

This subsection has been interpreted by the Department to mean the joint interest, not the individual interest, though the provisions of section 39 (section 38 of the Act of 1900) do not explicitly apply to Maori land; and it has also been interpreted by the Department to mean the total value of the land less the value of the lessee's interest. It appears to us, if the interest of each individual Maori were assessed, and the usual exemptions allowed, most of the Maori land under lease would not be liable at law to land-tax. The concession of one-half would seem to be no concession at all. It is a mistake to suppose that the present law gives the Maori any advantage over his European neighbour so far as lands under lease are concerned. And it should be remembered that more than one-half of the Native lands are now under lease.

In this connection we wish to direct Your Excellency's attention to the following extract from the report of Judge H. G. Seth-Smith, President of the Native Appellate Court, sitting as a Royal Commissioner on complaints against the Public Trustee in connection with the administration of the West Coast Settlement Reserves (see G.–2, Session II, 1906):—

"With regard to the assessment of land-tax, I am of opinion that the present method of assessment does inflict an injury on the Natives interested in the West Coast Settlement Reserves.

"In support of this opinion, I beg to direct Your Excellency's attention to the evidence given by the Public Trustee before the Native Affairs Committee of the House of Representatives which has been laid before this Commission. He is reported to have said, 'The Natives have a legitimate grievance in respect of the land-tax: it applies to Europeans and Natives alike where lands are held in trust for several owners; but, as there are few estates of large size held in trust for a great many Europeans, the land-tax falls heavily on Natives where a large grant is held in trust for many owners. In such cases the amount of land-tax paid by each Native is out of all proportion to his small income or interest in the reserve. This should be altered in fairness to the Natives, especially if the lands are in the future to pay full local rates.' (Parliamentary Paper, 1904, I.–3A, p. 14.)

"I have therefore the honour to recommend that the Legislature be requested to make the necessary provision to relieve Natives from payment of land-tax where their individual interests in reserves are of less value than the exemption allowed by the Land and Income Assessment Acts."

The local-rating law as at present administered does not seem to us to be unfair except in rare cases. The effective settlement of Native lands by either Europeans or Maoris must advance *pari passu* with the progress and completion of the titles. The Maoris are realising more and more that they must come under the general

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,
A. T. NGATA, } Commissioners.

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

still standing on the block and the local body is still charging rates on it? Would not the Board be blamed for not providing for a contingency of the kind? The only way I can see to provide for it is by not paying any royalty at all to, at any rate, the owners of the back blocks.

Again, it is just as unfair if the purchaser has to pay rates on the standing timber. The price of timber is as high now as it ever will be, for if it goes much higher some cheaper substitute will be found: people will immediately turn to brick, stone, and concrete for building purposes. The royalties being paid by the millers are, I think, about as much as they can afford, for it is only by practising the strictest economy and managing to the very best advantage that they will be able to make anything out of it. In fact, as far as my inquiries into timber dealings have gone, what with the cost of labour, the heavy railway freight, and the royalties, I do not think that there is any company working in the Maniapoto district at the present time, with the exception, perhaps, of the Ellis and Burnand Company, that is doing more than paying its way. And if, in addition to their other expenses, they have to pay rates and taxes on the standing timber until it is cut off, it will simply mean that the majority of them will go to the wall.

If you desire to see Mr. McGowan with respect to the matter, he would be prepared to come to the office at any time you may appoint.

JAS. W. BROWNE,
President, Maniapoto-Tuwharetoa District Maori Land Board.

His Honour Sir Robert Stout, Native Land Commission, Auckland.

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