

1911.  
NEW ZEALAND.

NATIVE AFFAIRS COMMITTEE:  
OHOTU BLOCK.

REPORT ON PETITIONS; TOGETHER WITH MINUTES OF EVIDENCE.

(MR. JENNINGS, CHAIRMAN.)

*Report brought up on the 18th October, 1911, and ordered to be printed.*

ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

FRIDAY, THE 4TH DAY OF AUGUST, 1911.

*Ordered*, "That Standing Order No. 219 be suspended, and that a Native Affairs Committee be appointed, consisting of twelve members, to consider all petitions, reports, returns, and other documents relating to the affairs specially affecting the Native race that may be brought before the House this session, and from time to time to report thereon to the House, with power to call for persons and papers; three to be a quorum: the Committee to consist of Mr. Greenslade, Mr. Herries, Mr. Jennings, Mr. Kaihau, Mr. MacDonald, Mr. Mander, Hon. Mr. Ngata, Mr. Parata, Mr. Rhodes, Dr. Te Rangihiroa, Mr. Seddon, and the mover."—(Hon. Sir J. CARROLL.)

FRIDAY, THE 11TH DAY OF AUGUST, 1911.

*Ordered*, "That the name of Mr. Dive be added to the Native Affairs Committee."—(Hon. Sir J. CARROLL.)

REPORT.

No. 33.—Petition of C. L. DUIGAN and 5 Others, and six similar Petitions.

PETITIONERS pray for the right to purchase the freehold of certain sections of the Ohotu Block.

I am directed to report that, in the opinion of the Committee, this petition should be referred to the Government for favourable consideration.

18th October, 1911.

W. T. JENNINGS, Chairman.

## MINUTES OF EVIDENCE.

FRIDAY, 29TH SEPTEMBER, 1911.

CHARLES L. PEMBERTON, Settler, Oreore, Raetihi, examined. (No. 1.)

1. *The Chairman.*] Are you a resident on the Ohotu Block?—I have been a resident for six years.  
 2. You have heard the petition read and are familiar with its contents?—Quite so.

3. *Mr. Herries.*] You are one of the petitioners?—Yes.

4. *The Chairman.*] Have you anything to add to what is stated in the petition?—I wish to speak about the difficulty with regard to roading the block. When I took up the land there were indications that the block was going to be roaded in the way of giving access by bridle-track. The roading operations were continued somewhat energetically until the whole of the block was taken up. When the whole block was taken up the roading operations ceased, completely and immediately. Since then nothing has been done actively. The settlers have been forced in cases to raise loans in order to give themselves road access. They will have to pay off these loans, and at the end of twenty-one years there will be a revaluation. They will have increased the value of the land by raising these loans and making roads. They will not only have to pay off the loans, but they will have to pay an increased rental in consequence of making the roads, which I consider is most unfair. Were it Government land, leasehold or freehold, there would be an obligation on the part of the Government to road the block. Were it European land owned by private individuals, instead of being Maori land, the Europeans would be forced to road the block before they could open it. As it is, there appears to be no obligation on the part of the Native owners to make roads. I might state that the Aotea Maori Land Board is granting a measure of assistance, but it is only a measure. A short time ago the settlers on the Orokuku Road, running through the block, raised a loan of £1,300 to give themselves road access, and the Board promised them a subsidy of £300. This was to make five miles of road. It was found eventually that the £1,300 would nearly cover the cost of the road, and they discovered that at about the middle of this road there was a very wet portion which badly required metalling. It was the proverbial weak link in the chain of communication; and, although there had been nothing said about metalling in the first instance, the settlers applied to the Board to know if they could have this subsidy of £300 to metal this portion, but the Board replied that they could not have it for metalling purposes. I suppose they regarded metalling as a luxury. You will understand that this £300 spent in metalling would only equalize the road—would make this bad place good, and the road would be workable after wet weather at a much earlier date than otherwise. But the Board would not allow this bad place to be metalled with the money, so the £300 has to be expended in further formation—more mud road. I understand also that where the Board have granted assistance they have subsidized loans that were being raised: they will pay interest on these loans for a term, until the revaluation takes place. When the revaluation takes place they will cease to pay interest, but the amount will be deducted from the unimproved value of the land. I contend, sir, that it should go on as an improvement. It is an improvement in the same way that buildings on the land are an improvement. They do not add to the productivity of the land, but they are necessary conveniences: the land is of no value without road communication. Therefore all loans raised for the purpose of giving road access to sections should go on as improvements—should have nothing to do with the unimproved value. If they reduce the unimproved value in that way it may be open to the public to go in, and a man's improvement would be confiscated in that way. The only way to insure his recovering it is to add it to the improvements actually on the land. That is where the unfairness of the present system of valuating comes in. A man is not entitled to anything as an improvement unless it is actually on the land within his boundaries. I think I have sufficiently explained the position as regards the roads. There is another grievance, and that is fencing. You take up a section, and there is no obligation on the part of the Board to fence the boundary-lines. You have to do that all yourself, and it necessitates, through bush country, felling the bush a chain outside your own boundary and putting up the fence entirely at your own cost, and you may be there for years and years before the adjacent land is taken up and you can recover. Now, in my case I was in that position. I had a boundary-line to fell and fence, and I applied to the Board, and they told me that when the adjacent land was taken up that land would be loaded with the value of the improvements I had put upon it. Just recently the land was put up for lease. I understand it was let the other day in Wanganui. When it was advertised I wrote to the President and informed him of the agreement that had been made between the Board and myself. I may say that the present President was not in charge at the time I got the assurance I would be paid for my improvements.

5. Who was the President then?—Mr. Fisher.

6. When you state you got an assurance, did you get anything in writing?—Well, I am not sure. It was five years ago, and I am not sure whether that statement is in writing or not. But I was told to send in, as soon as I had put the improvements on, a statement of the cost of the improvements, and I duly sent that in; but I had no reply to it. It must be in their records somewhere. Mason Brothers were in the same position. I do not know whether they got the assurance in writing or not, but we had it, anyway.

7. Did any other lessees get that assurance, do you know?—I do not know whether any others did. As I say, I replied to Mr. Jack, the President of the Maori Land Board, giving him all the particulars, and since then I have not had a communication from him. So I do not know whether the sections have been sold without being weighted with the value of my improvements or not. That is the position. You see, I put up that fence five years ago and felled the bush, and I have been losing interest on that money ever since, which is not fair.

8. *Mr. Parata.*] What was the value of the fence, per chain?—It cost me £1 2s. 6d. a chain to erect.

9. *Mr. Herries.*] Does that include the bushfelling?—No, that is the fencing. Bushfelling cost £2 an acre, and grassing 10s.

10. *Mr. Parata.*] What kind of a fence was it—sheep- and cattle-proof?—Yes, a legal fence—a thoroughly good fence. There are many sections in the Ohotu which have no road access whatever. As I said, roadmaking operations ceased, and bridle-track communication was not given to a great number of sections. They remain without access. Nothing has been done whatever.

11. *Mr. Herries.*] Are they sections that have been taken up?—Yes, they have all been taken up—for at least five years. I think that is all I have to say.

12. *The Chairman.*] Who was carrying on the roading operations prior to the stoppage?—The Roads Department of the Government.

13. Was the County Council doing anything?—No, the county had nothing to do with it.

14. What is the rental that you pay for your section, and the area, and the term?—I hold a section of 734 acres, on which I pay 1s. 9d. an acre; and my wife holds another of 400 acres, for which she pays 2s. an acre.

15. And what is the term?—Twenty-one years.

16. Do you get repaid for any improvements at the end of the term?—We get valuation for improvements.

17. Have you any idea what the Maori Land Board have spent on road-formation?—Not the slightest.

18. Have they spent any money?—I do not know.

19. *Hon. Mr. Ngata.*] I take it all these leases are the same as regards terms in Ohotu?—Yes.

20. Can you give the Committee briefly the main covenants of your lease?—It is for twenty-one years, with valuation for improvements.

21. Is there right of renewal?—There is right of renewal at an increased rental.

22. At 5 per cent. on the then unimproved value?—Yes.

23. What happens at the end of the second term? Do you get anything for improvements then?—I do not know.

24. *Mr. Herries.*] Your petition is to be allowed to buy the freehold, is it not?—Yes.

25. How do you propose that that should be done—that you should deal with the Natives themselves or the Board?—Well, I do not know whether it would be taken over by the Government. We thought that it would be quite equitable if the land were bought by the Government and the money invested for the Natives. All this Ohotu land a few years ago could have been bought for 10s. an acre. Now, as you hear, I am paying 1s. 9d. and 2s. an acre, which is equal to £1 15s. and £2 an acre for the freehold.

26. If the Government bought the land from the Natives, do you propose that they should sell it to the present tenants, or that they should put the land up to competition?—That we should get it at the price they pay for it—the present value.

27. The present tenants should have the first chance of buying?—Certainly.

28. In your opinion, would the land be better cultivated if the freehold were granted?—I think there is no question about that. As it is at present we are forced to raise loans to make roads, which in wet weather are impassable for wheel traffic. Under the present conditions I do not think the question of metalling will ever be seriously considered, because settlers are not going to burden themselves so heavily without compensation. There will be mud roads, and they will remain mud roads till the end of the chapter. If the land were made freehold I have not the slightest doubt that in the course of time these roads would be metalled. And there are many other ways in which the land would be made to produce more than it will under present conditions.

29. Then you mean to say that settlement is held back because of the bad title?—Decidedly. It is the business of the settler at the present time to make as much as he can out of the land, with as little outlay as possible. There is another question—that of noxious weeds. We are surrounded by Native country which has been breeding noxious weeds—Californian thistle among them—for time out of mind, and although we are fighting hard to keep them down on our own places the seed is blowing on to us every year. Whenever a patch of bush is burnt you will find the Californian thistle growing there alongside the ordinary thistle.

30. *Hon. Sir J. Carroll.*] Will the freehold improve that?—Decidedly.

31. I mean, if you got the freehold would the seed stop blowing over?—No, but we hope that people will get the freehold of the adjacent lands simultaneously. I know a block of land within three miles of the centre of Raetihi. The fires passed over that a year or so ago. It has never been sown with anything, and it is filling up with noxious weeds.

32. *Mr. Parata.*] Who brought the noxious weeds there?—That is beyond me. The trouble is to know how to keep them down.

33. *Mr. Herries.*] What you mean to say is that if you got the freehold people would take more trouble to clear the weeds?—Yes. They would make a better fight. At the present time we are forced to cut the thistles. The Act is satisfied if we cut them; but we would make a very big endeavour to eradicate them if the land belonged to us.

34. *Hon. Sir J. Carroll.*] Were you one of the original tenants?—I was.

35. When the land was put up you were aware of the terms and conditions upon which the sections were offered to the public?—Just so.

36. You bought under those conditions?—Yes.

37. You said just now that the only way you can see of acquiring the freehold would be by the Government buying from the Natives?—Yes.

38. That the Government should buy from the Natives in order to sell to you at the price they gave the Natives?—Just so.

39. You would be the principal consideration in that way?—Yes.

40. Would the Natives benefit by the sale of the land?—I think they would.

41. In what way?—By receiving the rental value. It would be invested for them, and they would not get the principal.

42. That might be done with the rent?—Yes. Well, they would always receive the rent.

43. Supposing the whole of the rent were funded for them and they got the interest on it—I mean the accumulated rents for twenty-one years?—Yes, well—

44. Under the leasehold system would not the Natives benefit at the end of the term?—Yes.

45. Would they benefit as much as if they sold now at the present price?—Probably not.

46. Then what you advocate is something that would benefit the tenants more than the owners?—If we go on as we are, we are working for the owner and not for ourselves. We are working to improve his property.

47. He is the owner, is he not?—Yes.

48. You want to be the owner?—He is the owner, but we are working to improve his property. You see the disadvantage we are under in roading. If you are willing to road the lands for us, that does away to a great extent with this difficulty. You are not giving us value for our improvements. Our roading is as much an improvement as improvements actually put on the sections, and we want full value for that, otherwise it is confiscation. We are doing something for which we are getting nothing. In that case, of course, the Native owner stands to benefit.

49. In which case?—Under the present conditions as regards roading. We are increasing the value of his land, and he is doing nothing to help it. Before we see the land we pay down rent, and we continue to pay it. In the case of Government lands situated as Ohotu is placed, settlers go in with four years' rent free, and they get the roads made for them.

50. You knew when you took the land up that you had to pay rent?—Yes, but we perhaps did not realize all the disabilities under which we would be working. You might go into a paddock and think you are perfectly safe, and look all round and think there is nothing there that will hurt you; but there might be a bull behind a furze bush, and under those conditions you would be very anxious to get out of the paddock.

51. Has the goodwill of any of these leases been parted with?—Yes. There were a number of leases taken up in the first instance by Natives, and they were held for a number of years, to the detriment of progress. Those have all been sold out, I believe.

52. Have any of the European tenants sold at all?—There is one. I do not know of more than that.

53. Did he sell at any depreciation of value?—He got paid for his improvements. I do not know whether there was any depreciation or not.

54. Supposing there are cases where the original tenants have sold out—sold the goodwill of their leases at a considerable profit: it is fair then to assume that somebody has been quite satisfied with the conditions?—There was a section sold, I believe on the 27th, in Wanganui, and I heard that the man had given 4s. 3d. an acre for it. But I know the man, and he knows no more about land-values and working land than does a Socialist. That is new-chum valuation. A man may go into Ohotu and give far more than the value of the land; but that is no criterion of the value of the land.

55. But allowing that he is a practical man—a man used to farming: if he buys the goodwill of this original lease at a considerable advance, would it be reasonable to assume then that he is satisfied with the terms and conditions?—He may be; but there are farmers who are continually falling in. Farmers who come from another district think they know all about land-values. You do not know anything about land-values unless you reside in the district and are aware of all the conditions. The only man who is competent to value land is the man who is actually living on it. It is no indication of the value of the land when a man goes in and gives a high price for land in a new district.

56. Perhaps you know that these lands are vested in the Board in trust? They are trust lands?—I do not know how they are situated.

57. All that appears to you, in regard to the whole question, is the advisability of the freehold in favour of the tenant?—Well, the tenant wants a square deal, and that, I contend, he is not getting under the present conditions. If you make the terms equal so that the tenant will benefit in the same degree as the landlord, perhaps we cannot object so much. But certainly the present conditions are not fair.

58. What does it require to square the deal?—We want to be assured that we shall get valuation for improvements, and we want roads. There is always an uncertainty as to whether you will get valuation for your improvements. I know by past experience that valuation is not given, even by the Government. I have known improvements not to be recognized which were improvements.

59. But you know on what system the improvements are to be determined and assessed, do you not?—I know that we have the power to appoint an arbitrator, but that is not altogether a guarantee.

60. Each side appoints an arbitrator, and the two appoint a third. Can you tell me any fairer system of arbitration—any fairer system of arriving at the assessment of improvements?—Supposing I fell the bush now and it costs me so-much. In twenty-one years there will be an improvement in

addition to the cost of felling and grassing. Would you recognize that? Either the timber will rot and disappear, and there will be an improvement in that way; or else there will be a visitation of fire, which will cause immediate loss but will improve the land afterwards. That, under the present system of valuation, is not taken into consideration. I have tried to fight it out in the Assessment Court, but it has not been allowed. My land has been cleared for a number of years, having been visited in this way with fires, and I have been allowed £2 an acre for grassing and felling; and another man, who has felled the year previously and has the timber lying over his section, is allowed exactly the same for improvements in that way.

61. What better system could you devise, other than to appoint yourself arbitrator?—Well, we do not know whether you will adopt the Government schedule of improvements and be bound by that.

62. *Hon. Mr. Ngata.*] Could not the provisions of section 264 of the Native Land Act, 1909, be applied, under which improvements are to be recorded from time to time by the Maori Land Board in the same manner as improvements on Crown leaseholds?—Yes; well—

63. That provision is taken word for word from the Land Act. It was enacted subsequent to these Ohotu leases being entered into?—I just mention this to indicate that valuation is not given for improvements. I contend that whether it is a time improvement or whether it is caused by fire clearing the land, the lessee is entitled to valuation for it, but so far he has not received that. Time will prove whether we shall be allowed for it in Ohotu.

64. *Hon. Sir J. Carroll.*] What system would you advise in preference to the one that obtains now, in order to secure what you consider fair valuation for improvements?—It might be done by competent valuers who are able to recognize what are improvements.

65. Is there any danger of your not appointing a competent valuator, or of the Board appointing an incompetent valuator?—The valuator we may appoint may be bound down by a cast-iron schedule of what are considered improvements. He may not be allowed to go beyond that: we do not know. The only safeguard is the freehold: then a man knows that in whatever way he improves his property, or in whatever way it is being improved, he will get the benefit of it. But as the law stands at present we are working for the landlord.

66. *Mr. Newman.*] What state was your land in when you took it up? Was it covered with standing bush?—My section was entirely bush.

67. Was there a road to it?—There was bridle-track access.

68. And the rent that you pay for that land is 1s. 9d. an acre for a portion of the twenty-one years, and then 2s.?—No; 1s. 9d. for one section, and 2s. for another section held by Mrs. Pemberton.

69. It cost you £2 an acre to fell the bush?—Not all through. I have had some felled at £1 10s. There is another point: In Government valuating they allow you nothing whatever for surveying or supervision of bushfelling. They allow up to £1 10s., and no more. I have paid £1 10s. and done the surveying and the supervision, which brings the cost up to considerably more than that. I have just paid for 154 acres £2 an acre.

70. You say you can grass the land for 10s. an acre?—Yes.

71. I wish you would come and grass a few acres for me; it has cost me 15s. and £1?—Of course, it all depends on the quantity of seed put in.

72. The felling of the bush would cost £2 an acre, roughly; the rent is approximately 2s. an acre: that makes 4s. in interest and rent. Grassing and fencing and buildings will bring it up, I suppose, to about 6s. an acre for rent and interest?—Yes.

73. Now, you have a lease for twenty-one years, with right of renewal for twenty-one years—that is forty-two years; and then you walk out, do you not?—We do not know.

74. The point I want to make is this: supposing you go in as a boy of twenty-one; you spend the whole of your life improving this land, and then at the end of forty-two years you walk out with nothing. Is that so?—We are not sure whether we get valuation for improvements or not.

75. Are you prepared to pay a fair price to the Natives for this land?—Certainly.

76. Would you have taken up this land if you had known the difficulties you would have to overcome?—No. I thought it was going to be roaded. When I took it up the roadmaking was going on so briskly that I thought it would be roaded. Where they made these bridle-tracks they made the culverts of sufficient length for a dray-road, and we understood they were going to make the dray-roads afterwards.

77. You had reason to understand that this land would be roaded in the same way as other Crown land?—We understood so.

78. *The Chairman.*] Are you a practical farmer?—I am.

79. Have you had much experience?—I have had twenty-six years in bush country.

80. Have you been asked to represent other petitioners in regard to these matters, or do you come alone?—I was asked to come down by Mr. Duigan.

81. Your chief objections, and those of the other petitioners, are in regard to roading and non-recognition of improvements?—Those are my chief objections. There are others.

82. *Hon. Mr. Ngata.*] What is the carrying-capacity of the average Ohotu land?—I should say, two sheep to the acre.

83. And the ordinary proportion of cattle, I suppose?—A limited number of cattle—not very many. I have had slightly under two sheep to the acre this winter, and I have been quite sufficiently heavily stocked. This was on 950 acres, and I had about forty head of cattle, and the cattle had the advantage of small portions of bush.

84. Have you grown turnips on your bush burns?—No. I have grown them in a favourable season.

85. Do you find difficulty in burning off your bush?—We have had difficulty at times. I have about 150 acres of badly burnt bush.

86. When you are fortunate enough to get a good crop of bush turnips, what do you manage to carry in the winter?—The first year I had a good crop of turnips, and I might have made something if I had been able to get stock in. Under very great difficulties I managed to get in a certain number, but I could not get any more—the roads were impracticable; in fact, the people laughed when they heard that I was going into the Ohotu with sheep. They said, “You will have to dig them out with long-handled shovels.” But I had a number of men and friends turned out to assist me, and we managed to get them on to the block. That was the only occasion on which I might have made a little. Since then the seasons for turnips have not been favourable, and I have not been able to reap any benefit in that way.

87. Which way does stock usually go into this country—from the Main Trunk side?—Some come through from Feilding and Wanganui, and some from the Main Trunk.

88. I take it that all you settlers on the Ohotu Block pay your rates to the local body?—Yes.

89. Does the local body spend any money in assisting you with your roads?—Yes, a certain amount. They spend money where they have taken over a road from the Government. The road leading down to the block was formed and handed over to the local body, and they spend rates on that; and sometimes they have to give assistance to settlers when the bridle-tracks become impassable, but the assistance has not been very great.

90. *Hon. Sir J. Carroll.*] How much have they given?—I really do not know.

91. How long have they been giving you assistance in the block?—During the last four years I should say we have got a measure of assistance.

92. What was the nature of the bush that you had to clear? Was it thick bush?—Yes, heavy bush.

93. Was it what you call milling bush?—There would have been a certain amount millable if we had had a road to it and could have got the timber out. Then, again, as regards milling, there is a clause in the lease which compels the lessee to give the Land Board half the royalty, and in view of that clause the lessee will certainly not trouble with the bush.

94. Would the character of the bush have been such as to pay any one to put a mill in?—Not down in my immediate neighbourhood, but in the northern part of the block there is certainly a lot of milling-timber.

95. I suppose that generally the bush would not be called light bush?—Medium to heavy on the north and about Raetihi and Ohakune; there is a lot of milling-timber there.

CHARLES LOWTHER DUIGAN, Auctioneer, Wanganui, examined. (No. 2.)

1. *The Chairman.*] Do you represent other petitioners?—Yes.

2. Have you been asked to speak on their behalf?—Yes.

3. You are one of the petitioners?—Yes.

4. You have heard what Mr. Pemberton has said: is there anything, outside of what he has said, that you wish to touch upon? Or do you briefly indorse what he has stated?—Yes, all he has said about the roads is true in my case, for I had to part with one of the sections I originally took up because there was no road to it.

5. What other aspect do you wish to touch on?—The financial aspect. Mr. Pemberton has, fortunately, not required to apply for any financial assistance in connection with his lease, so he does not know where the shoe pinches. But I do. My brother and I—he holds an adjacent section—applied to the Advances to Settlers Department for a loan of £3,000 on our leases, and they would not entertain the application. At that time we had spent between £6,000 and £7,000 on improvements. The same applies to other lending institutions outside. We have not been able to raise money on the leases, because they told us they did not consider these leases a negotiable security. I applied to the Bank of Australasia for an overdraft on the security of these leases when we had spent not less than £7,000, and the manager, after referring to his head office, told us that our leases were no good, and handed them back to me. The bank would not lend on them. Only £500, I think, was the amount I asked for, at a time when we had spent over £8,000; and he said they were not a suitable security, and the bank would not lend on them.

6. What was the objection of the State-guaranteed Advances Department?—I do not know. There was no objection made to the leases, but we could not get the loan.

7. Had you improvements on your land then?—Yes, £7,000 worth.

8. Do you know of any other settlers who had improved their lands and were refused?—Yes, I know of settlers who have made £1,500 worth of improvements and have been refused a loan of £500.

9. Will you proceed, with regard to that aspect of the matter?—So far as I have been able to ascertain we are not protected for our improvements in any way—that is, although our leases state that we are to get valuation for these improvements, we are advised that the Maori Land Board have no power to do this. The improvements cannot be secured on the land. The opinion that I got is this: “It does not necessarily follow that because provision for compensation appears in a duly registered lease the same is of much value unless the provision is inserted in pursuance of legislation making the compensation-money a charge on the land. The provision may operate only as a personal covenant by the Native owners, or it may not even have that effect.” That is the advice we got with regard to our leases, and I think that is one of the drawbacks in borrowing on them. I believe that is the reason why a loan has been refused.

10. *Hon. Mr. Ngata.*] You will hand that opinion in?—No, I cannot do so without permission. I have only read an extract from it. We are aware that the Board had no power under the Act under which these leases—the original ones—were granted to protect the improvements on the land. I believe that that defect was recognized by the Commission, and it has been remedied in the Act passed

subsequently, but this provision has not been made retrospective. I may say that when I took up this land originally I was quite a new-chum to bush farming—I knew nothing at all about it. I went up there and saw a lot of men working on the road, and I assumed naturally that the roads would be made; but as soon as the sections were taken up work on the roads stopped, and the road did not even go so far as one of the sections I held. The Minister, I believe, struck out even votes for maintenance after that. I wish to emphasize that if we rate ourselves and borrow and make these roads the lessees will have to pay the entire cost, because the sinking fund will pay off the loan before our lease is up—the Natives will not have to pay any portion of it. The contribution of the Maori Land Board to the roads, so far as I can ascertain, is given in this Government return G.-10. That is shown in the case of Ohotu No. 1 as £6,874. The area of the block is something like 55,000 acres, I believe. It is bush land, and the rents of these Ohotu sections vary from 6d. an acre up to—well, I am paying 2s. 3d., for example. I do not know if any one is paying more. Of course, in taking up bush land it is a lottery: you do not know what your country is going to be like until you grass it. It is impossible to go over an area of heavy-bush country.

11. *Hon. Sir J. Carroll.*] Did you take it at the upset price?—Some of it; some of it we paid more for. The cheapest country we have we pay 1s. 6d. an acre for. I want to refer briefly to the position with regard to the timber. The part of the block that we lease was covered, when we took the land up, with magnificent milling-timber—the best milling-timber I have ever seen. It was mostly rimu and matai, and was within a distance of eight miles from the Main Trunk Railway. There is a clause in some of our leases providing that the Maoris shall have half of the royalty on the timber if we mill it; we are not obliged to mill it, but if we do half of the royalty is to go to the Maoris. We made representations to the Maori Land Board to have that provision removed, so that we could deal with the timber. I will read you the letter I wrote to the Board, and the Board's reply: "We have been making inquiries with reference to the possibility of disposing of the timber on our sections, or such of them as are suitable for milling. The following reply was received by us from a timber company whom we approached on the matter: 'After looking into the matter our company could not consider the matter if the ruling Government royalty were charged, as the block is so far from a station that the tramming-charges would, when added to the royalty, be more than we could purchase timber for close to the line. If, however, the Aotea Land Board were to allow the timber to be sold at a reduced rate, our company, I think, would probably agree to buy the timber and put in a tram to get it out. There is a lot of fine timber in the block, and it seems a great pity that it should be all wasted; but a tram to the Rangataua Railway-station, which would be the nearest point on the railway, would be seven or eight miles to the centre of the bulk of the timber. This would cost a large sum of money, and would probably have to be laid with steel rails, so that unless the timber were allowed to be sold at a reduced rate there would be no inducement to do anything in the matter. If you would find out from the Board if a sum of, say, £1 per acre would be agreed to for the timber rights, our company would go into the matter and would be prepared to make a definite offer.' The petition which we sent you, and to which you replied on the 4th ultimo, sets out fully the facts of the case, and we again respectfully urge the matter on your favourable consideration. As high royalties, which are chargeable if the strict letter of our leases is insisted on, are proving an absolute bar to dealing with the timber, we now beg to apply that your Board will assist us by fixing the value of the timber at £1 per acre, on such of the sections as contain milling-timber, half of which would be payable to your Board and half to the lessee. If you can see your way to grant our request the present uncertainty will be removed, and we shall have a definite basis to work on in negotiating with milling companies. We have already felled about 850 acres of milling bush on our sections, which will be burnt this summer, and we take this early opportunity of approaching your Board, as our future policy with regard to felling the land must necessarily depend on your decision as to whether you will meet us in this matter. It will be ten thousand pities if the present conditions result in neither the Natives nor ourselves obtaining any benefit from the timber." The Board refused to grant that request.

12. *The Chairman.*] You will put that letter in?—Yes, sir. [Letter put in.] That was in 1907. I may say that I estimated the area of country with milling-timber within a distance of, say, ten miles of the Main Trunk Railway to be about 10,000 acres. Of that my brother and I and those neighbours who are interested in that area have now felled and burnt quite half. It has been destroyed. We could get no satisfaction from the Board, and we could not afford to pay rent and rates and hold the timber.

13. Have you got the Board's reply?—Yes. "Your letter (undated) addressed to the President and members of the above Board, requesting the cancellation of the timber-royalty clause in your leases, was duly considered at a meeting held in Wellington on 30th ultimo, and I was instructed to reply that, 'as the clause in question was one of the conditions of lease when the land was placed on the market, the Board has no power to grant the request.'" [Letter put in.] I may explain that these Ohotu leases have been taken up, to a very great extent, by men who, like myself, are not practical farmers, and who do not live on their sections. They are debarred by the residential clause from taking up Government sections; but in these leases the residential clause was waived, and for that reason a number of people who live in Wanganui took up these leases, with the idea of improving the sections gradually and perhaps living on them later on when they retire from business. That was one of the main reasons why these leases were taken up.

14. *Hon. Sir J. Carroll.*] There was a strong application from the Wanganui residents that that condition should be waived?—Yes.

15. It was made a public question in Wanganui?—That is the reason why this block was taken up so readily at the time. A great many townspeople who were not eligible for ordinary Crown land were able to apply for these sections, and they have spent a considerable sum in improvements. My brother and I, up to the present time, have spent something over £10,000 on improvements on our sections. There is very heavy timber on the land, but it is not good milling bush. The undergrowth

is very light, and we have had great difficulty with our burns. Bushfelling is a very expensive item; we have been paying £2 an acre. I am paying that this year, and could only get a small area cleared.

16. *The Chairman.*] What do you pay for your fencing?—I have not paid more than £1 a chain for the actual erection of the fence, but we have to provide the wire. I have paid up to as much as £3 an acre for clearing fence-lines.

17. And what do you pay for grassing?—It costs me about 15s. an acre for grassing. When we took up the sections we looked on the timber as a contingent asset. We knew that the half-royalty clause was there, but we were not aware that it would be considered an absolute bar by timber companies in dealing with us, and we made considerable efforts to sell the timber, because, having no road, we thought that if we could get a tramway in we should be able to get our provisions in, and our wool and other produce out, very much cheaper.

18. *Hon. Mr. Ngata.*] Who has to fix the royalty?—The clause says, “one-half of the royalty rates then current in the district for all marketable timber,” fixed by the Timber Regulations for the Crown. In some of the leases issued subsequently the Board have inserted a clause limiting the amount payable to the lessors in any one year to £50, and in some cases to £25; but the sections affected are further away from the railway, and the timber is not so marketable. A sawmiller took up a section next to us, with a view to holding the section for a number of years and utilizing the timber.

19. *Hon. Sir J. Carroll.*] What is his name?—Wilson is the name of the sawmiller. I think the section is in the name of Coogan. He was forced to sell it, but he said it would not pay him to put a mill in. Of course, some of the lessees have been able to borrow on their leases; but the legal expenses are high, and the rate of interest, of course, is much higher than the Advances to Settlers Department charge.

20. You refer to loans from private sources?—Yes. The lessees cannot get them from any other sources.

21. If these securities were entertainable by the Advances to Settlers Department, for instance, you would be better satisfied?—It would be much more satisfactory. The heavy nature of the timber on this land has made it very much more expensive to farm than the ordinary light bush country.

22. That only applies to the northern part, I presume?—I understand the bush is lighter as you get down towards the Wanganui River. Of course, we have no road at the present time—all we have is a pack-track. I have bridged two of the creeks at my own expense.

23. *The Chairman.*] What do you pay per acre in rent?—I pay 2s. 3d.; my brother pays 1s. 6d.

24. Is there any other point you wish to touch upon?—Of course, we are applying for the freehold. Mr. Pemberton was asked how he thought the price should be arrived at. My own idea was that it should be assessed on the present value. The money might be paid to the President of the Board, and invested by him for the Natives. The present position is such that the Natives cannot possibly benefit under it. What is the freehold worth, subject to a forty-two-years lease, the purchase being something like fourteen years' rent? The Natives would not be giving up anything that was of any great advantage to them. I do not see what benefit they will get from the land; and if things go on as they are, who is to find the money to pay for our improvements? If you place the improvements at £4 an acre over the block, a sum in excess of £200,000 will be needed; and, as I point out to you, we have a legal opinion that our improvements under these original leases are not vested on the land, and that the Board have no power to do it without legislation. They have given us a lease purporting to give us this right of improvement, but when we come to borrow this thing is dug up against us. I may say that one of the sections next to us was originally taken up by a Native. Of course, he did not farm it in any way—he never occupied it. It was a nuisance to us, because the land was allowed to become overrun with rabbits and noxious weeds. I had to make representations to the Rabbit Inspector about the section not being properly poisoned; the rabbits were coming in on to our country. To finish with, I had to sue the Native for half-cost of a boundary-fence, and he sold the section to somebody else. It is now in the hands of a white man, and he is farming it.

25. *Hon. Sir J. Carroll.*] A very small percentage was reserved for the Natives?—Yes. That particular section was 756 acres in area. I have had the same difficulty as Mr. Pemberton in regard to fencing. I cannot get paid for one boundary-fence that I put up, and the felling cost me £3 an acre. The valuation of the block seems very peculiar. Some of the lessees are paying as little as 6d. an acre for country which is very much better than some other country which has been let for 2s. 3d. I do not know what basis the valuation was made on. A lot of the land is let for 9d. an acre. Well, the Natives, you see, would get a considerable advantage in respect of that, because the Government valuation, I feel sure, would not be less than £2 an acre for that country, unimproved value. The Natives themselves would be benefited if the freehold were conceded to us, and the tenants are looking with alarm on this position: white people are being allowed to acquire land direct from the Natives without the intervention of the Board. The Natives apparently will be allowed to divest themselves of these other lands, and then the argument will be used against us that these lands leased by us are the only lands the Natives have got left, and therefore they should not be allowed to sell them. The tenants are very much alarmed by that position—that they should not be allowed to purchase the lands they hold, which they have spent a large sum in improving, while other people can purchase.

26. *Hon. Mr. Ngata.*] Going back to the matter of borrowing from the State-guaranteed Advances Department: I take it you made application under paragraph (g) of section 39. I will read it. This is one of the classes of land on which the Advances to Settlers Office is authorized to lend money: “Maori lands which have been transferred in trust for leasing to and are held under leases from a Maori Land Board under the powers contained in the Maori Lands Administration Act, 1900, and its amendments, and which have been granted for terms of not less than twenty-one years, with right of renewal for another term of twenty-one years, or for further terms of twenty-one years, and which contain the provisions set out in the regulations under the last-mentioned Act for valuation for improvements.” That covers the class of lease that you hold?—Yes. The leases were not eligible when we first took them up. We made representations to the Minister and he made them eligible.



27. They were made eligible in 1906, I think?—Yes, but the leases go back to 1905, I think.

28. Those leases are now eligible?—Yes.

29. When you made application for £3,000, was any reason given for the Office refusing to entertain the application?—I do not think so. There was no objection stated to the security.

30. Probably the objection was to the amount?—They did not say so.

31. *Hon. Sir J. Carroll.* You have not got the letter?—No; I could not find it.

32. *The Chairman.* What was the amount that you applied for?—£3,000.

33. *Hon. Mr. Ngata.* There was a time when the Office would not lend more than £500?—Of course, £500 was of no use to us. There is a point that I wish to draw the attention of the Committee to with regard to the valuation of improvements, and it is this. I do not know whether Mr. Pemberton made it clear. A man may sit down and not do any improvements to his land at all until towards the end of the first twenty-one years, and he will apparently get just the same compensation for his improvements as the man who has made his improvements in the earlier years and has been out of a considerable amount of interest on his money.

34. I think Mr. Pemberton's point was that there is no proper system of recording improvements?—It was the general insecurity of the position that he wished to emphasize, I think.

35. Can you give us any idea of what amount would be required to complete the main roading through the block—not the metalling?—It would only be a guess. There are 55,000 acres in the block, and I should say it would cost at least £25,000.

36. *The Chairman.* A lot of it is broken country?—One of the main roads is simply a 6 ft. track; it is not fit for wheeled traffic.

37. *Hon. Sir J. Carroll.* Suppose the land became the property of the tenants, who would have to expend the £25,000?—If the tenants bought they could rate themselves, I suppose.

38. Can they not do that now?—That is the only way in which we can get anything done. We have to pay an increased rent on our original payment.

39. *The Chairman.* I have made representations in regard to these roads, the land being in my electorate, and the reply of the Minister of Public Works has invariably been that he would not expend any money on the block—that it was Native land?—He struck out all the votes for maintenance and told us he had no money for roading Native lands the moment these sections were taken up.

40. *Hon. Sir J. Carroll.* If they became European lands the objection would be removed?—I suppose the internal roads would have to be made by the settlers, but the main road, I should say, the Government should contribute to. If our petition were given effect to, the Natives would get a very much increased revenue; and it would be a benefit to us, because we could get money at a lower rate of interest, and our securities would be more readily negotiable, and our properties more saleable. Of course, we have had good times ever since we took these sections up, and our produce has brought fairly high prices; but if we had felt the pinch it would have been very awkward indeed. I do not know what the settlers would have done. It was a very awkward thing for us to go with £10,000 worth of property and be told, "Your leases are not a negotiable security." It was a drawback.

#### TUESDAY, 17TH OCTOBER, 1911.

THOMAS W. FISHER, Under-Secretary for Native Affairs, examined. (No. 3.)

*The Chairman:* The Committee thought, Mr. Fisher, that you would probably be able to give some information in connection with the statements that have been made by the witnesses in this matter.

*Witness:* You sent me over a copy of the evidence of Mr. Pemberton and Mr. Duigan. I have prepared a statement in reply, which is in the hands of the Clerk.

*The Chairman (to the Clerk):* Will you read it, please? [Statement with letters attached, read by the Clerk as follows:—]

#### *Statement of Thos. W. Fisher, Under-Secretary for Native Affairs.*

Replying to Mr. Pemberton's statement, the position as to intentions *re* roading is dealt with in subsequent remarks. Had completed roads been intended as suggested the rental would undoubtedly have been higher. As to his remarks in not allowing the diversion of a sum to be used for metalling instead of for completing the proposals, this would mean breaking faith with some as to the length of roading the expenditure was assessed for. The position as to the Board's contribution of interest-money on loans extending over currency of the existing lease is correct, and his assumption is no doubt right as to loan-money being deducted from unimproved value. To further follow his contention that same should also be added to improvement would mean debiting the owners twice with that amount: as, for example, assuming the unimproved value of the land to be £2 5s. per acre at the time of revaluation, and the liability for loan-money was 6d. per acre, that would be accepted as a liability on the land and the net value to £1 15s. per acre, which would make the new rental 1s. 9d. per acre; and it is certainly a safer protection to the lessee to follow this course than to accept his suggestion as to adding value to improvements, and on my suggestion it is a direct charge on the land, therefore "confiscation of improvements" cannot follow.

As to remarks on the fencing question, the provisions in the lease clearly show that the claim cannot be made direct on the Board, and this is generally followed in all statutory bodies' leases, but does not remove any rights provided by the Fencing Act. That Act gives all persons certain rights on adjoining lands becoming occupied, but, as far as these lessees are concerned, they

have already been informed of the position, and they should serve the usual fencing notices on the Board, when arrangements would be made to see that the values arranged for the half-cost of fencing-line would be duly protected on the adjoining land being leased; and if they have complied with their requirements I am satisfied the Board will see that its obligations are given effect to—in fact, I know the section in question was loaded with the sum of £18 ls. 6d., being the value agreed upon.

With regard to the remark that he does not know what will happen at the end of the second term of twenty-one years, as to the valuation for improvements, the position is clear: the block was leased on a perpetual right of renewal, except that at the end of the second term (forty-two years from date of original lease) the Native owners have the option of paying up the value of the improvements in the whole block, when it would be reconveyed to them; therefore the lessee will get the whole of his improvements: failing the payment at that period, the right of renewal exists in perpetuity. As to sales of lessees' interests in the block, there have been several, and some of the purchasers are men who have farmed in Wanganui district for years and are recognized as successful farmers: they have paid a goodwill for the lease over the actual amount that has been expended on improvements. In connection with the assessment of valuations, the lessee has the same voice in assessing the amount as the landlord, each appointing his own arbitrator, and in the event of the arbitrators not agreeing, then the umpire decides a fair rental. The right now clearly exists for noting any expenditure on improvements: they can be duly recorded for subsequent use if necessary. The Government schedule as to value of improvements does not come into the question. As to the implied statement that the right of renewal is at an increased rent, this is hardly correct, as, assuming the present rental was ls. 9d. per acre, and when it was revalued was £6 per acre (capital value) and the improvements were valued at £4 an acre, then the renewal would be on the basis of the unimproved value, and, if liable for a 6d. special rate for loans, would make the rental only ls. 6d. per acre for renewal term, or 3d. per acre less than present rental.

Taking Mr. Duigan's statement as to financial requirements, and his remarks as to the action of the Bank of Australasia, I can only say that on similar-tenure leases in West Coast settlement reserves the bank under notice has, to my knowledge, in a number of cases accepted these as valid securities; while, with regard to the remarks as to State-guaranteed Advances Department, I know at that period they were not dealing with advances for over £500, which was no doubt the reason of refusal.

As to the legal position he places before the Board, I can only assume that it was given on the assumption that the leases under notice were Native land and made with the Native owners, and not on the condition generally acknowledged as applying to land vested in a statutory Board carrying with it certain obligations.

Referring to his remarks on the roading question, I presume he carefully studied the roading conditions notified on lithos at the time of sale, and which one would think would be considered by any person prior to submitting tenders. With regard to the milling-timber condition, the Board had under consideration the advisability of retaining all the timber lands for a period, until such time as would warrant the disposal of same; but after consideration of the question it was decided that in the interests of settlement generally the block would be more advantageously dealt with by the opening of same, and therefore it was decided the lessee should have half of any royalties, and the upset rents for leasing were only placed on the quality of the land for grazing purposes; and, as to the royalty basis for any timber if sold, it was fixed at Government schedule, which applies in many cases well known to be as difficult to work as the Ohotu Block would be.

In the particular case he refers to of a Native being his neighbour; the land was not a reserved section for Maori occupation: the holder took it up in the same manner as a European, and therefore was an ordinary lessee.

Taking the statement that a man may do nothing with his land until the end of the term by way of improvements, this is against the conditions of the leases: certain improvements have to be effected, and the position shown needs no argument as to which lessee is the better situated—the one who improves his section from the start and gets an immediate return on his expenditure, or the one who pays annual rental for the whole term and gets no return for the money paid.

Speaking generally as to the block in question, at 1908 the Native Minister was supplied with a statement of the position of this block. Liabilities and further expenditure were tabled as follows: Old survey lien, £1,341; subdivisional surveys and laying off of road lines, £6,877; expenditure on road-formation, £8,037; further expenditure, £2,500: total, £18,755. The amount originally intended for expenditure of opening up the block was assumed at £15,000, so that the amount was increased considerably. The roading, £8,037, is now being reduced by payments from the rents of £800 per annum. The survey account has already been liquidated, and the outstanding survey lien of £1,341 has yet to be paid: while, as to the further roading mentioned, £2,500, some expenditure has been made, but the larger portion of this is still to be expended. Any stoppage as far as the sum in connection with roadwork is concerned was brought about at the instance of the lessees, who, recognizing something more than a pack-track was desirable, decided, so I understand, to take procedure for raising a loan under the Local Bodies' Loans Act, and the Board would either contribute a lump sum *pro rata* or pay a proportion of the half-yearly payment to the amount of their assumed indebtedness.

I attach memo. of the Hon. the Native Minister to the Right Hon. the Prime Minister, showing what the intention as to expenditure was for opening up the block in question; also copy of letter I forwarded in November last to the President of the Board, setting out the position as I understood it; a copy of a memo. from the President of the Board to the Chairman of the Waimarino County Council, dated 13th March, 1911; and a copy of a letter in reply to President of the Board from Waimarino County Council, dated 12th April, 1911.

14th October, 1911.

THOS. W. FISHER, Under-Secretary.

## Memorandum for the Right Hon. the Premier.

*Ohotu Block.*

Office of Minister of Native Affairs, Wellington.

I THINK the question might be faced in the following way: The estimated annual rents for the whole of the sections will be about £3,300; assuming that two-thirds of the land is leased, the probable revenue will amount to, say, £2,200; then, by allocating £800 per annum as a sinking fund to cover a loan extending over a period of forty-two years (currency of leases), that should allow an immediate advance on the security of the land of £15,000. This would leave £1,400 for distribution amongst the beneficiaries, which would be increased to £2,500 when the whole of the sections were taken up, and, as each acre in the block is cleared and grassed, fenced, and dwellings erected, it would mean an addition to the capital value of £3 per acre, therefore forming a good security for any substantial loan for the purposes required. To open up a dray-road from the Wanganui River to the Ohotu Township would probably mean about £4,000. Therefore, as this is an arterial road, and estimating that the Government would give pound-for-pound subsidy, the expenditure of the £15,000 to be advanced to the Council would be absorbed as follows: For survey purposes, for subdivision of the block, &c., say £5,000; forty-four miles of roading of the bridle-track is estimated at £8,000; the Wanganui-Ohotu dray-road, £4,000; which would mean a total of £17,000: deducting the £2,000 subsidy from that would leave £15,000, the amount of the advance. This would give access to all the sections on the block. Further roading and widening of bridle-tracks into dray-roads could be borne under the Government Loans to Local Bodies Act, and by the forming of special-rating areas. Unfortunately, under the Maori Land Administration Act no Council can borrow from Government sources more than £10,000 in any one year on the security of the lands in its possession. So the expenditure proposed would have to be reduced accordingly. Even then I think £10,000 will be ample to road and prepare the land for settlement: this, of course, does not include the main roads that may be required to fit in with the arterial system of the colony. Those are colonial roads, and should be borne by the colony, though perhaps where they specially affect the block some principle of contribution might be agreed upon. Pending the raising of a loan on Ohotu, the Lands and Survey Department might arrange to do all the work necessary to farm horse-tracks, clear bush, and lay off road-lines.

J. CARROLL.

## Memorandum for the President, Aotea District Maori Land Board, Wanganui.

*Ohotu-Fields Track Road.*

1st November, 1910.

WITH reference to your memo. of the 24th ultimo, in connection with the application of Wilkie and others for the opening-up of this road, the position is that the Board, having got to the limit of funds provided by Cabinet—£8,000—left a good deal of proposed work in abeyance. The position as far as this is concerned is that Mr. Wilkie saw the Board at Wanganui some time in February last, and subsequently discussed the matter with me, as to the procedure necessary for the expenditure of money to the best advantage. He recognized that the settlers would want a good deal more done than the Board would attempt, and, after discussion, I suggested that my estimate was that something like £1,500 would be required for expenditure on that portion of the road by the Board, and that if the settlers were prepared to rate themselves for a further sum of £1,500, then the £3,000 would be a good expenditure as from the Township Reserve towards Section 8, Block 18, Karioi Survey District. As, however, further expenditure was wanted between that and Fields Track, and also on the track, it was considered that, as individual blocks—namely, Ohotu Nos. 6, 7, and 8A (I think)—should bear a similar amount, and therefore the proposed scheme, as I understood from Mr. Wilkie, would be that they would form a larger rating district and borrow the sum of £4,500, of which I considered the Board's proportionate amount would be £1,500.

At that time I thought it might be advisable to withdraw from the £800 per annum payment to the Treasury on the present Ohotu liabilities and add this £1,500 to the balance owing Treasury, and obtain the money under the Act of last session; but subsequently, on going into the proposal, and remembering that on the £8,000 already expended the Board pays *no interest*, I found it would not be advisable to do so. I then suggested that if they could borrow £3,000 for the 36½ years at 3½ per cent. rate of interest it would mean £105 per annum, and I felt satisfied that if the Board contributed £52 10s. per annum as a subsidy for a period of eighteen years, say to the end of the existing term of lease, this would, I think, have been equitable. In fixing this period I take the assumption that on the revaluation, the rate being a direct charge on the land, it would be deducted as an improvement in favour of the lessee; or, in other words, as the land would be liable for the rate, the value on which the rate was paid would be deducted from the unimproved value of the land.

The settlers are entitled to some consideration, but the question is to do it for the greatest advantage to all at the least expense. There is a similar proposal in connection with the land on the Orua-Kukuru Road, made by Messrs. Somerville and others. I am not sure how the Board finally decided the arrangement.

As this expenditure would about wind up the Ohotu roading, I think it would be better to pay as a subsidy on the rate with the settlers than to borrow money under the Act of last session.

THOS. W. FISHER, Under-Secretary.

The Chairman, Waimarino County Council, Raetihi.

*Ohotu-Karioi Road.*

13th March, 1911.

I UNDERSTAND your Council is now arranging a loan of £3,000 for expenditure on roading on this road through the Ohotu Block, in order to give access by way of Fields Track and this road to the holdings of John Wilkie and others as far as the Township Reserve. Mr. Wilkie has interviewed me on the matter, and asked me to advise your Council of the attitude of the Board and the assistance it is prepared to give. Hence this letter.

The Board, after conferring with Mr. T. W. Fisher, the former President, has decided, during the balance of the first term of the leases over the lands served (say, for fifteen years from the 1st April, 1911), to pay a subsidy of £52 10s. per annum, being at the rate of  $3\frac{1}{2}$  per cent. on £1,500, as its contribution towards this roading expenditure. At the expiry of the current leases the lands will become liable for the full rate, and the rate charged will then be a deduction from the unimproved value, on which the new rentals will then be assessed. You will thus see, although it may be necessary to strike a full rate for £3,000 for the purpose of giving security for the loan, that the full rate will not need to be collected. In order to give every assistance to get roading under way, the Board is prepared to advance progress payments up to £1,500 until the loan is granted, on condition that all such advances are refunded out of the loan-moneys when the latter are received.

J. B. JACK, President.

Waimarino County Council, Raetihi, 12th April, 1911.

J. B. Jack, Esq., President, Aotea District Maori Land Board, Wanganui.

SIR,—

*Re Ohotu-Karioi Road Loan.*

I have the honour, by direction of the Waimarino County Council, to acknowledge the receipt of your memorandum of the 13th March in reference to the above, and in reply have to advise that my Council are taking steps to raise the loan under the State-guaranteed Advances Act, 1909. The annual instalment of principal and interest prescribed under the Act is £4 17s. 6d. per cent., made up as follows: Interest,  $3\frac{1}{2}$  per cent.; principal,  $1\frac{3}{8}$  per cent. It will, of course, be necessary to strike a rate sufficient to pay the amount of the instalment plus 10 per cent., as required by the Act, but only a sufficient portion will be levied each year to pay the amount of the instalments as they fall due.

In reference to your Board's offer to grant advance progress payments up to £1,500 until the loan is granted, on condition that all such advances are refunded out of the loan-moneys when the latter are received, the Council regret that they cannot take advantage of the offer, as the Department will not grant a loan upon works already executed.

I have, &c.,

A. MABBOTT, County Clerk.

1. *The Chairman.*] Is it true, Mr. Fisher, that the Public Works Department have persistently and consistently refused to assist in any way, with road votes for the purpose of improving the roads, the European occupiers of lands leased from the Maoris?—I have no direct knowledge of that.

2. I have just had a reply from the Minister of Public Works—and I have had quite a number—that as these lands are Maori lands in which the Crown is not interested, the Government cannot see its way to assist by giving subsidies or other assistance?—The only case in connection with which I ever came into contact with the Public Works Department was when Mr. Duigan, Mr. Wilkie, and others petitioned the Board for a bridge on the Fields Track Road—the Wanganui-Karioi Road. That being a Government arterial road, I considered it was the duty of the Government to open up that road. On that occasion I interviewed the Public Works Department on the matter, with the result that we arranged that the Board should pay half the cost of the bridge.

3. Speaking generally, then, you do not know?—I do not know of any refusal. You must consider this particular block—the Ohotu Block. The Parapara Road is a Government Road, and was surveyed before the Ohotu Block was surveyed. The Fields Track is another arterial road—a Government road in the same position. If grants were refused for those two roads by the Public Works Department, the Department were evidently under a misapprehension as to the position.

4. I have just got a reply from the Public Works Department, and it is similar to probably a couple of dozen that I have received during the past two or three years. The settlers in the Maihihi Special-farm District, near Te Kuiti, asked that the road should be surveyed further along and roadwork put in hand, and the reply of the Minister is that as the survey and making of this road would be for the purpose of improving Maori lands, which are not Crown lands, the Department cannot see its way to accede to the application?—I can follow that. You are speaking of what are actually Native lands—that is, lands owned by Natives and dealt with by themselves. But the Ohotu lands are in a different position. They are lands vested in the Maori Land Board and dealt with by the Board. There is a difference.

5. But these particular settlers have lands that are leased from the Maoris through the Maori Land Board?—All the Board does in this case is to see that the Natives receive fair and equitable treatment.

6. The point is that the Department resolutely sets its face against assisting the settlers by subsidies or by grants in matters of this sort?—In this case it does not, because the Act says it shall do it. It says the Government may contribute an equal amount, or some lesser sum (section 276, Native Land Act, 1909).

7. Well, then, why do Mr. Pemberton and other settlers consistently complain of nothing being done?—I say that everything has been done that was promised; everything that was arranged with them has been carried out. If anything has been considered as neglected it has been at lessees' instance.

8. Why did the Waimarino County Council also make strong representations to the Government in connection with this particular road, which goes through Maori property?—That is Maori land. They were speaking of Maori land, not vested land.

9. But this is absolutely Maori land—this Ohotu land?—No, this is vested land.

10. Precisely, vested, and leased for a certain time?—There is quite a difference as to the positions—vested-land leases and Native leases.

11. But can you not see this: that it is Maori land that is leased, with right of renewal, and that it stands in an entirely different position from lands that may be held by the Crown and leased, with right of renewal—I mean, lands where the Crown assists?—It does so in this instance—that is, vested lands.

12. Well, then, the evidence of those people that we had here——?—Is entirely erroneous. My statement shows that it is erroneous altogether.

13. *Mr. Rhodes.*] Is there right of renewal after forty-two years?—The position is that at the end of forty-two years the Native owners have the right to pay the whole value of the improvements and resume possession of the land. Failing that, there is a continual right of renewal.

14. At stated periods of twenty-one years?—Yes; it is a perpetual right of renewal for terms of twenty-one years.

15. Is it a big block?—There are, I suppose, 70,000 or 80,000 acres in the four blocks.

16. *The Chairman.*] I want to pursue the question of the roading, because I know its seriousness as far as the Waimarino County Council and the settlers are concerned?—If you read the letter attached to my statement, dated 13th March, you will see that the Board offered the County Council £1,500 with which to go on with the roading of the block, and the county said they could not take any money until the loan was granted.

17. The Council are in this position: the amount allowed by the Maori Land Board for roading a block of 80,000 acres is so small as to be almost like putting a bucket of water into the sea?—Not at all. I have no hesitation in saying that the amount proposed will road that land satisfactorily to comply with original proposals.

18. With all the cuttings in the Parapara Road and other places?—I am not speaking of the Government roads. I am leaving the two Government roads—the main roads—out of the question.

19. In connection with those roads the Government refused?—The Government are continually spending money on those roads every year. They keep their own maintenance-men going. The Government have never refused any advances on those two roads—the Parapara and Fields Track Roads.

20. Take the past three years: except at the end of the Parapara Road from Wanagnui, there has been comparatively little work done. The Waimarino County Council did not care about tackling it, because they felt they would be undertaking a liability which they could not carry out?—I am satisfied that that position does not affect the Maori Land Board at all.

21. How much of these blocks, and Maori lands further in or near these blocks, is still to be thrown open?—Speaking as to vested lands, I think I may say that pretty well every acre that can be leased has been disposed of. To show what the value of this land is, take the Duigans' case: The Duigan family—three, I think—have taken up 3,750 acres in this block, and they are paying a rental of about 1s. 9d. an acre. That was assessed on the assumption that these people would probably have to borrow another 10s. an acre to complete the roading beyond what the Board were doing, and I say that was ample for that purpose. To show that the land is a good marketable commodity at the present time, I may say that the lowest priced realised at the last sale of this land in Ohotu, held two months ago, was 3s. an acre unimproved, and prices went up to as high as 4s. 2d. an acre.

22. Yes; because those who went in first have improved the land so much that naturally the other lands have acquired an increased value?—Indirectly they have been benefited in this way, I admit; still, the Board have done a fair thing towards roading at that end also.

23. You inform the Committee, then, that practically the whole of those Maori lands extending from Raetihi nearly down to portions of the Wanganui River are taken up?—I am speaking of lands that are vested in the Board—not ordinary Native land.

24. Practically, your answer to my question is that almost all the Maori lands vested in the Maori Land Board are taken up?—That is so.

25. Well, then, have you any knowledge of the quantity of Maori land still unoccupied that is not vested in the Board?—It is very hard to say, in a district like that. I could not give you the slightest idea.

26. Are there in that district 10,000 acres held by the Natives and not worked?—There would be fully that.

27. With regard to these people obtaining advances, you think there is no difficulty in that?—I do not see what is to prevent them.

28. Are you aware that the State-guaranteed Advances Department have frequently refused to advance money?—I know they have advanced money in a great number of cases.

29. *Hon. Mr. Ngata.*] In the Ohotu Block?—Yes, and Morikau, and other blocks.

30. *The Chairman.*] Will you give me one instance?—The State-guaranteed Advances people are best able to supply that. Applicants for advances at one time had to come before the Board for the Board to be a party to the mortgage, and I know several were approved.

31. Can you give this Committee one instance where the State Department have advanced to lessees in the Ohotu Block?—I believe Mr. Dodd has had an advance, also Mr. Peacock, as well as others.

32. Do you know that Mr. Dodd has been refused—I had a letter from him in this connection some time back?—I could not say now. I am under the impression that the Board executed those documents. Peacock, I know, made application. There have been two or three others.

33. They have been refused, and have been getting money at practically 10 per cent. from private financial institutions in Wanganui?—I will endeavour to obtain that information to show to the Committee what advances have been made to different lessees.

34. Mr. Duigan made a statement that he could not get money even from the bank. You say you know of instances where lessees did get money from the bank. Now, in getting that money had those particular people collateral security?—No; in the cases I am speaking of the advances were made on the leasehold security only.

*Hon. Mr. Ngata:* Mr. Fisher is not speaking of Ohotu leases only. He is speaking of other similar leases.

35. *The Chairman.*] I am referring only to the Morikau and Ohotu Blocks?—I know that the bank has made advances on lands held under similar tenure.

36. Would that be a particular person whom I do not wish to mention, but with whom you and I are acquainted?—No. But it is done.

37. I want to confine you to the Morikau and Ohotu blocks?—Mr. Duigan said the bank will not look at the security. I say that the bank has, to my knowledge, in many other instances accepted the security for advances of similar leases in other blocks.

38. Take, for instance, Mr. Kennedy, one of the settlers: has he got any money from any financial institution?—Kennedy is not a lessee of Ohotu land: he has a lease of ordinary Native land. I can quite understand the Advances Department or banks not looking at those leases.

39. *Mr. Dine.*] Are the petitioners entitled to compensation at the end of their lease?—Yes.

40. Roading, of course, is not included—it has not been looked upon as an improvement?—As I point out in my statement, if there is a special rate existing for the loan—say, for argument's sake, it is 6d. an acre—the valuers would reduce the unimproved value by 10s. an acre, because the land is liable to a road contribution. You could not add that to the improvements, or you would be making a double charge.

41. The position, then, is that if the settlers are to get roads they must form special-rating areas?—As I pointed out, the Board agreed to expend a sum of money on roading. The Board would have gone on spending that in making tracks to the different sections, but the settlers themselves came to the Board and said, "Do not do that, because by so doing you go to the expense of engineering and so on, and as soon as you have handed over these roads to the County Council we will raise loans, and all this engineering will have to be done over again in order to widen the roads." The Board said, "We will hold back, and we will give you our proportion of the money, either by a direct grant or by paying the half-yearly interest."

42. The Maori Land Board would contribute a certain amount?—Yes. The letters that have been read are plain enough. The Board say in this one that if £3,000 is borrowed they will pay £52 10s. per annum: that is interest and sinking fund on £1,500 of the £3,000. The Board are endeavouring to meet the settlers in every way they can.

43. *Mr. MacDonald.*] Mr. Duigan said the solicitors cast some doubt on the compensation clause of the leases. What have you to say about that?—I think the position is as set out in my memo. That solicitor, I take it, was asked about Native land, not vested land. That is what I think, from my reading of the opinion.

44. *Mr. Rhodes.*] You say that if the land is liable to a rate of 6d. an acre for roading, at the end of the term the lessees will be allowed for that. Do you mean when assessing the value of the land for the new lease?—In my experience it has always been recognized between the arbitrators that where a special rate exists on the land you deduct it from the unimproved value when you are making a revaluation for the new rent: otherwise the lessee in occupation has to pay twice.

45. But supposing the same tenant does not take the land?—Then it would be submitted to competition, weighted with the value of the improvements.

46. And he would be repaid what he had expended?—Yes.

## APPENDIX.

### No 1.

Aotea District Maori Land Board, Wanganui, 4th October, 1907.

Memorandum to F. C. Malpas and others, Wanganui.

GENTLEMEN,—

Your letter (undated), addressed to "The President and members" of the above Board, requesting the cancellation of the timber royalty clause in your leases, was duly considered at a meeting held in Wellington, 30th ultimo, and I was instructed to reply that, "As the clause in question was one of the conditions of lease when the land was placed on the market, the Board has no power to grant the request.

I am, &c.,

T. O. CRIMMINS, Clerk.

## No. 2.

To the President and members of the Aotea Native Land Board, Wanganui.

GENTLEMEN,—

We, the undersigned lessees of lands in the Ohotu Block, respectfully request that your Board will cancel the clause which has been inserted in our leases respecting payment of royalty on timber on the lands leased by us from your Board, for the following reasons:—

1. That if the provision for payment of timber royalty is retained your petitioners are precluded from dealing with the timber on their lands, as, by reason of the distance of the said timber from the railway, and the absence of roads and bridges or any practical means of access, the cost of putting the said timber on the market will, with the addition of royalty charges, be prohibitive in comparison with the cost of other large areas of milling-timber which adjoin the railway and are now beginning to be utilized.

2. That such other timber-areas are sufficient to last for many years, and that in the meantime we, being required by the improvement clauses in our leases, and by reason of having to pay heavy rental charges, are unable to conserve the timber until such a period in the future as it may become marketable.

3. That the area of milling-timber in the said block is very limited, and confined entirely to the northern end of the block: part of this area is not subject to royalty. A large portion of the remainder has already been felled, and will be burnt during the coming summer; that unless the royalty clause is cancelled further areas will continue to be felled and burnt, until the whole of the milling-timber is practically destroyed.

4. That for the above reasons no revenue will be obtained by your Board from the timber if the royalty clause is retained, whilst if your Board consents to its cancellation your petitioners may be enabled to negotiate with millers for the erection of a sawmill in the block, or may erect a mill themselves.

5. That the erection of a sawmill will promote settlement by relieving the land of much of the fallen timber, by enabling us to utilize any tramway for the carriage of goods and products of the land, by supplying us with building-timber for our own needs, and in other ways.

At present the road from the block (the Oruakukura-Ohotu Road) to the Main Trunk line is a "map road" only. We have been in communication with the Minister of Lands with regard to getting a subsidy for roading purposes, and have received the following reply: "I understand the tenants will have to complete the roads themselves, or make arrangements with the Aotea Maori Land Board to do so." We therefore trust that your Board will give the matter your careful consideration, and free us from a condition which is irksome to us and useless to the Native owners of the block.

## No. 3.

Wanganui, N.Z., 5th November, 1907.

The President and members of the Aotea District Maori Land Board, Wanganui.

GENTLEMEN,—

We have been making inquiries with reference to the possibility of disposing of the timber on our sections, or such of them as are suitable for milling. The following reply was received by us from a timber company whom we approached on the matter:—

"After looking into the matter, our company could not consider the matter if the ruling Government royalty were charged, as the block is so far from a station that the tramming-charges would, when added to the royalty, be more than we could purchase timber for close to the line. If, however, the Aotea Land Board were to allow the timber to be sold at a reduced rate, I think our company would probably agree to buy the timber and put in a tram to get it out. There is a lot of fine timber in the block, and it seems a great pity that it should be all wasted; but a tram to the Rangataua Railway-station, which would be the nearest point on the railway, would be seven or eight miles to the centre of the bulk of the timber. This would cost a large sum of money, and would probably have to be laid with steel rails, so that unless the timber were allowed to be sold at a reduced rate there would be no inducement to do anything in the matter. If you would find out from the Board if a sum of, say, £1 per acre would be agreed to for the timber rights, our company would go into the matter and would be prepared to make a definite offer."

The petition which we sent you, and to which you replied on the 4th ultimo, sets out fully the facts of the case, and we again respectfully urge the matter on your favourable consideration. As high royalties, which are chargeable if the strict letter of our leases is insisted on, are proving an absolute bar to dealing with the timber, we now beg to apply that your Board will assist us by fixing the value of the timber at £1 per acre, on such of the sections that contain milling-timber, half of which would be payable to your Board and half to the lessee. If you can see your way to grant our request the present uncertainty will be removed, and we shall have a definite basis to work on in negotiating with milling companies. We have already felled about 850 acres of milling bush on our sections, which will be burnt this summer, and we take this early opportunity of approaching your Board, as our future policy with regard to felling the land must necessarily depend on your decision as to whether you will meet us in this matter. It will be ten thousand pities if the present conditions result in neither the Natives nor ourselves obtaining any benefit from the timber.

Yours, &c.,

## No. 4.

Native Department, Wellington, 18th October, 1911.

SIR,—

*Re Vested Land Mortgages, Maori Land Boards.*

With reference to the statement I made yesterday as to the Government Advances to Settlers Department accepting Maori Land Board leases as securities, and which fact was seemingly questioned to some extent, I therefore agreed to supply reliable information thereof.

I may state, for the information of the Committee, that in Block I, Ohotu, the Government Advances to Settlers Department have nine mortgages registered on the title; in Block II, Ohotu, that Department has five mortgages registered on the title; in Block III that Department has four mortgages registered on the title; in Block VIII, Ohotu, that Department has six mortgages registered on the title; making a total of twenty-four mortgages, some of which, however, overlap, owing to leases extending over two blocks.

As to Morikau No. 2 Block, there are ten mortgages registered on the title, and amongst them there is one registered as against Mr. R. H. Dodd's leasehold.

In Waiharangi Blocks there is one registered mortgage on the title. Therefore the total registered mortgages on the respective titles in favour of the Government Advances to Settlers Department are thirty-five.

I have, &amp;c.,

THOS. W. FISHER, Under-Secretary.

The Chairman, Native Affairs Committee, House of Representatives.

## No. 5.

[TELEGRAM.]

Jennings, M.P., Wellington.

Wanganui.

GREATLY surprised to hear that Under-Secretary states roading was stopped at lessees' instigation. The position was that as soon as the Ohotu sections were leased Minister struck even maintenance votes out of estimates, and we were left entirely to our own resources to provide access. Where similar leases have been accepted as security very large margin is required, and interest and legal expenses are high. Some exceptions where vendors themselves take mortgages to help sale. Opinion I quoted confirmed by one of best firms here. Crown Law Office could advise on point.

DUGAN.

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