

1932.

NEW ZEALAND.

SURVEY LIENS ON NATIVE LANDS

(REPORT AND RECOMMENDATION OF CONFERENCE OF DEPARTMENTAL OFFICERS WITH REGARD TO EXTINGUISHMENT OF).

Laid on the Table of the House of Representatives by Leave.

Native Department, 8th November, 1932.

The Hon. NATIVE MINISTER, Wellington.

Survey Liens—Native Land Settlement Account.

As the funds from which the survey liens were paid in the first instance were loan-moneys, Treasury has advised that the amount of principal loan-moneys not exceeding £45,000 to be written off will require to be refunded from the Consolidated Fund as part of the annual budgeting. It was recommended that for convenience this be arranged by an item in the Native Department's estimates over a period of four to five years, the effect of which would be to increase the Department's estimates by £12,000 annually until the sum of £45,000 had been made good.

In view of the need for reduction of departmental expenditure to keep within the funds available for the annual appropriations, the sum of £5,000 only was provided in the estimates last financial year, and a similar amount is being included in the estimates for the current year. The provision in the estimates of these amounts shows an annual increase of £5,000 in the Native Department's appropriation, but actually the expenditure of the Department is not increased.

R. N. JONES, Under-Secretary.

The Treasury, Wellington, 29th November, 1930.

Memorandum for the Hon. the ACTING MINISTER OF FINANCE, Wellington.

Survey Liens—Native Land Settlement Account.

THE total liens outstanding are	..	..	..	..	..	..	£	290,682
								£
Those affected by the consolidation scheme total (approximately)	..	..	..	..	..	..	£	115,371
Less amount satisfied by Native lands being transferred to the Crown	..	..	..	..	..	..	£	33,359
Leaving to be written off—							£	
Interest (total)	..	..	..	..	..	..	£	37,859
Principal (57 per cent.)	..	..	..	..	..	..	£	44,153
								£82,012

In addition to the above, sundry losses through loan advances, &c., can be anticipated which will bring the capital figure to approximately £50,000.

Basically the present proposal appears to be one of land-settlement promotion and Native welfare, the economic aspect being that the security for the liens is practically unenforceable and partially non-existent.

The position has arisen out of the functioning of the Native Land Settlement Act, 1909, which in its present form has proved administratively defective in that it has enabled such substantial sums to be charged against loan-moneys, the security for which is demonstrated as futile, for the most part, by the application now under review.

Unquestionably, the discretion exercised by the Courts, &c., in the past has been divorced from commercial responsibility, and not subjected to such ordinary precautions as deposits, or the economic capacity of the land in question.

The Hon. the Native Minister has, however, undertaken that adequate steps to ensure such safeguards will be instituted with respect to future partitions. Briefly stated, the proposal is to write off lump sums equivalent to all interest charges and 57 per cent. of the principal. To facilitate consolidation it is proposed to accept lump sums with respect to each scheme, but these amounts have been arrived at more or less on the basis of the land's economic capacity as measured by recent Government valuations. The arrangement now under consideration will not, it is understood, be regarded as a precedent with respect to areas yet remaining to be dealt with.

Assuming that Cabinet approves of the scheme, the ordinary machinery of the Public Revenues Act can be effectively employed with respect to the financial aspect.

The questions for Cabinet decision are as follows:—

- (1) The acceptance, as part settlement, of substantial areas of poor-quality lands £
having for the most part only a national value, and arbitrarily assessed at.. 33,359