

powers covering the lending of moneys on the security of land and chattels to open up and develop Native lands for farming purposes are vested in the following, subject to the restrictions indicated :—

(1) *Native Trustee*—

- (a) May control properties, including farm lands under his jurisdiction by way of ordinary or special trusts.
- (b) May develop and farm lands under section 25, Native Trustee Act, 1930.
- (c) The Native Trust Board may invest moneys out of the Common Fund, and if, by reason of non-payment of interest or non-observance of mortgage covenants, the Native Trustee assumes possession he may continue the farm the properties.

(2) *Native Department*—

The Native Minister has wide powers under section 522, Native Land Act, 1931, to develop and farm Native lands. He may also delegate certain of his powers to the Native Trustee or the Maori Land Boards.

(3) *Maori Land Boards*—

Subject in each case to the approval of the Native Minister, Boards may—

- (a) Advance moneys on loan to Natives for farming, &c. :
- (b) Purchase and farm lands :
- (c) Undertake industries :
- (d) Farm lands vested in them.

239. **The main point is that the above institutions all have the power to lend money to Maoris and to develop and farm Native lands, but that power is substantially dependent upon the approval and direction of the Native Minister.** In the case of the Native Trustee and the Maori Land Boards, parliamentary or Cabinet sanction is not a necessary preliminary to the expenditure of money, as it is only in connection with development schemes or advances from the Native Land Settlement Account or the Consolidated Fund that there is any measure of parliamentary control.

240. In addition to the foregoing organizations, the East Coast Commissioner, to whom reference will be made later, has, by statute, extensive powers for developing and farming land vested in him, but he acts independently of the other branches.

241. We are of opinion that Native administration generally is much too widespread, and that the whole of the administration should be co-ordinated under one head, and be made subject to definite parliamentary control, or, in the case of trust funds, to control by an Investment Board. We shall deal more fully with the reorganization of Native administration later. In the meantime, in regard to development schemes, these can be classified under three types as follow :—

- (a) Loans to Maori individuals for improving and stocking their holdings. Advances are very rarely paid in cash.
- (b) Development of pumice and other inferior lands preparatory to subdivision and settlement.
- (c) Development or improvement of lands known to be of good quality with a view to subsequent subdivision.

241A. Dealing firstly with the operations of the Maori Land Boards, it is a difficult matter to review their activities in detail. The Native Minister has, however, delegated certain of his powers to the Boards in connection with development schemes financed out of the Native Land Settlement Account. The Boards are also concerned with development schemes and loans from their own funds to Maori farmers. Our investigations point to the fact that, while the results achieved are in many cases gratifying and vindicate the policy embodied in this class of assistance, it is yet too early to pronounce judgment on most of the work. There are, however, cases where considerable losses must result. An instance is the Te Kao development block, in the extreme north of the Tokerau Maori Land Board District. This work was put in hand by the Tokerau Maori Land Board, and has been carried beyond the point to which the Board can readily finance it. Subsidiary activities, such as stores, transport services, &c., were embarked upon without statutory authority, although empowering legislation has since been enacted to regularize matters. The capital and interest outstanding in this scheme as at the 31st March, 1932, amounted to over £26,000. **We are of opinion that a venture such as this should not have been entered upon on the judgment of one man, and no time should be lost in placing the scheme under a Farm Supervisor acting under the direction of the Registrar and incidentally Head Office.**

242. Another feature of the administration of the Tokerau Maori Land Board is in connection with the subdivision of Native lands for European settlement. Authority was given in 1905 for advances from loan funds for this purpose, and the sum of £12,300 was outstanding on this account as at the 31st March, 1931, the major portion being secured upon blocks within the Tokerau District. Advances totalling £3,600 have already been written off, and losses on other blocks appear probable. An undesirable feature in so far as the Crown is concerned is that under the Native Land Amendment, &c., Act, 1928, the Native Land Court may, by order, recommend that the whole or any part of the loans be written off as a charge against the land, and the Minister of Finance may give effect to such recommendation. Thus the losses must be borne by the Consolidated Fund.

243. The results reflect upon the administration of the Tokerau Board, and have imperilled the security of its nominal reserves.

244. Another feature of Native development is that considerable sums have been expended on the development of pumice lands, and, as it has not yet been proved that these lands are capable of economic development, the schemes must still be regarded as experimental. Approximately £40,000