

Commissioners of the Courts, and five Commissioners have been appointed. The functions of the Court which are defined by statute are to—

- (a) Hear and determine, as between Natives, any claim to the ownership or possession of Native freehold, or to any right, title, estate, or interest in such land, or in the proceeds of the alienation thereof:
- (b) Determine the relative interests of the owners in common law or in equity:
- (c) Hear and determine, as between Natives, any claim to recover damages not exceeding £2,000 for trespass or any other injury to Native freehold land:
- (d) Grant an injunction against any Native in respect of any actual or threatened trespass or other injury to Native freehold land:
- (e) Enforce the provisions of any trust:
- (f) Create easements over Native freehold land:
- (g) Deal with sundry minor matters.

223. We have considered the possibility of recommending that the Native Land Courts should be transferred to the jurisdiction of the Justice Department, but have come to the conclusion that they can be better administered by the Native Department, where full and easy contact with the Natives can be maintained. **We recommend, however, that the number of Judges be reduced to not more than four, one of whom shall be the Chief Judge, and that the judicial functions of Maori Land Boards should be transferred to the Courts.** Many of the routine duties which are now undertaken by Judges could be transferred to the Commissioners of the Courts, who already have sufficient powers conferred on them by statute.

Native-Land Purchase.—Purchases of Native land for European settlement are arranged out of the Native Land Settlement Account under the provisions of section 438 *et seq.* of the Native Land Act, 1931. The Act provides for the setting-up of the Native Land Purchase Board, consisting of the Native Minister, the Under-Secretary for Lands, the Under-Secretary, Native Department, and the Valuer-General. It is the duty of the Board to undertake, control, and carry out all negotiations for the acquisition of Native land by the Crown. It is necessary at this stage to consider the position of the Native Land Settlement Account, which is funded from loan-money, the capital already raised amounting to £4,098,000. The Balance-sheet as at the 31st March, 1931, shows that the value of land is as follows:—

| | | | | | |
|---------------------------------------|----|----|----|------------|-----------|
| Leased or sold under deferred payment | .. | .. | .. | £ | 1,534,800 |
| Unleased lands | .. | .. | .. | .. | 1,726,200 |
| Total | .. | .. | .. | £3,261,000 | |

224. **The gross rental and interest return for 1930–31 was only £81,867, representing a gross return of 2·58 per centum upon the capital invested.** Out of this gross return, however, the following charges had to be met:—

| | | | | | |
|---------------------------------|----|----|----|---------|-------|
| Local-body “ thirds,” &c. | .. | .. | .. | £ | 3,400 |
| Rebates of rents | .. | .. | .. | .. | 2,832 |
| Remissions of rents | .. | .. | .. | .. | 3,141 |
| Irrecoverable rents written off | .. | .. | .. | .. | 1,557 |
| Administration expenses— | | | | | |
| | | | | £ | |
| Lands Department | .. | .. | .. | 2,336 | |
| Native Department | .. | .. | .. | 2,394 | |
| | | | | 4,730 | |
| | | | | £15,660 | |

225. The revenue loss for 1930–31 amounted to £105,700, and the accumulated losses at that date totalled £1,167,000, of which £695,000 represents interest paid by the Consolidated Fund on loan capital but not recouped from the special account. It should be made clear that the substantial losses which have already accrued in this account are wholly in respect of land purchased for European settlement and partition surveys carried out at the request of Native Land Courts. This loss has been largely brought about by—

- (1) **The insufficiency of rental returns on leased lands ; and**
- (2) **The large amount of capital locked up in unproductive lands which have not, for various reasons, been placed on the market.**

226. In regard to the insufficiency of rental returns on leased lands, it should be stated that rentals prior to 1929 were assessed at 4 per centum on the capital values, and since the Amendment Act of 1929 the basis of assessment has been 5 per centum. The capital values are theoretically supposed to equal the purchase price of lands, plus accumulated interest and costs of subdivision and roading, but in practice it is often necessary to reduce the capital values below the actual purchase price. As already stated, the lands are purchased through the machinery of the Native Land Purchase Board, and are proclaimed Crown lands and handed over to the Lands Department for settlement. That Department is responsible for the subdivision and roading of the land. Thus two Departments are concerned in the financial operations of the Native Land Settlement Account, and this is not conducive to sound administration.