

## AMALGAMATION OF DEPARTMENTS.

306. After a careful investigation of the work carried out by the Native Trustee, the Native Department, and the Maori Land Boards, we are forced to the conclusion that there are no substantial reasons why the amalgamation of the two Departments and the Maori Land Boards under one permanent head should not be effected. **It is essential, however, that the permanent head should be a man of high administrative capacity, able properly to balance and co-ordinate the various policy and financial matters affecting the Department.**

307. The investment activities of the combined Department should be controlled by the Investment Board previously recommended. At present the separate Departments each has an administrative staff undertaking similar duties, and this is particularly noticeable in regard to the field staff, where representatives of both Departments travel and inspect similar activities in the same areas.

308. **We recommend, therefore, that the Departments be amalgamated, and organized under—**

- (a) **Administrative (embracing Head Office and Investment Board control).**
- (b) **Investments and finance.**
- (c) **Developmental activities.**
- (d) **Native trust work, benefit and miscellaneous funds.**
- (e) **Judicial.**

*Administrative : Embracing Head Office and Investment Board Control.*

309. In recommending the amalgamation of the Departments, we consider that the operations of the combined Department could be most economically controlled under a decentralized plan, and would recommend that much of the work which is now carried out at Head Office, especially in regard to developmental activities, should be transferred to the districts in which the development schemes are being operated.

310. The Head Office would act in the usual manner as administrative control, and decentralization should not entail more staff than is necessary under the system now in force, whereas essential information would be more rapidly available both for review in Wellington and as a guide for local operations.

*Investments and Finance.*

311. Previously in this summary we have outlined the necessity for amending legislation, and the establishment of a Board which would control the investments and the operations by way of loan and developmental work of the Department.

312. **The trust moneys which would come under the control of the amalgamated Department should be invested in a Common Fund, and not in the many separate funds that now exist.**

313. We further recommend that the advances which are made to Natives to assist in the development of their properties should be on table mortgage, providing for repayment of a portion of the principal, together with interest. We find that in those cases where this method has been adopted the indebtedness of the Native to the Department has already been considerably reduced.

314. Competent supervision should be maintained over properties on which advances have been made. This can, for the most part, be given effect to by a reorganization and distribution of duties of the persons now employed as Field Supervisors.

*Development Activities.*

315. At the present time, apart from advances to individual Maoris, the main operations of the Native Department are along the lines of developing areas for occupation by Natives.

316. It appears to us that many of the schemes now in progress have been pushed ahead too rapidly, especially in the development of pumice lands and land in "bush-sick" areas.

317. It is submitted that operations should have been confined to smaller areas for experimental purposes until such time as it was definitely known that the land could be brought in and worked on an economic basis.

318. In the Rotorua district the Lands Department and the Agriculture Department have for many years been experimenting on pumice lands, and the evidence was to the effect that the results of the operations of these Departments were such that they were not yet in a position to state that the land could be economically broken in and farmed; rather was the evidence to the effect that a substantial writing-down of capital costs would be necessary before reasonable results could be obtained from the working of the pumice areas. This evidence must have been available when the schemes of Native development were initiated, but notwithstanding this the development of many thousands of acres of similar land has been proceeded with.

319. There also appears to be a doubt as to whether Maoris who have been separated many years from the land as in Rotorua will make a success of dairy-farming, which calls for constant and continued attention.

320. The main essential to ensure success lie in the direction of—

- (1) Efficient co-ordinated general control.
- (2) Strict, economical, and efficient accounting control.
- (3) Intensive field supervision by competent men with a full appreciation of Native characteristics.