1929.

NEW ZEALAND.

WAIKATO-MANIAPOTO NATIVE LAND COURT DISTRICT

(REPORT OF ROYAL COMMISSION TO INQUIRE INTO MATTERS RELATING TO LEASES OF NATIVE LANDS IN).

Presented to both Houses of the General Assembly by Command of His Excellency.

COMMISSION

TO INQUIRE INTO MATTERS RELATING TO LEASES OF NATIVE LANDS IN THE WAIKATO-MANIAPOTO NATIVE LAND COURT DISTRICT.

CHARLES FERGUSSON, Governor-General.

To all to whom these presents shall come and to CHARLES EDWARD MACCORMICK, Esquire, of Auckland, Judge of the Native Land Court, and WALLACE FLETCHER METCALFE, Esquire, of Mount Eden, Auckland, Sheep-farmer, and GEOFFREY WESTWOOD RICHARDS, Esquire, of Otorohanga, Farmer: Greetings.

WHEREAS for the purpose of affording information to the General Assembly of New Zealand as to the present state of the law affecting the alienation and disposition of interests in Native land, and for the other objects and purposes hereinafter mentioned, it is expedient that a Commission should be issued to make the inquiry and suggestions hereinafter particularly referred to:

Now, therefore, know ye that I, General Sir Charles Fergusson, Baronet, Governor-General of the Dominion of New Zealand, in exercise of the powers conferred by the Commissions of Inquiry Act, 1908, and of all other powers and authorities enabling me in this behalf, reposing trust and confidence in your knowledge, ability, and integrity, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby constitute and appoint you, the said

CHARLES EDWARD MACCORMICK,
WALLACE FLETCHER METCALFE, and
GEOFFREY WESTWOOD RICHARDS,

to be a Commission under the said Act for the purpose of making inquiry into and suggestions upon the following matters, that is to say,—

(1) The operation of the existing laws relating to leases of Native lands, whether vested in a Maori Land Board or not, within the Waikato-Maniapoto Native Land Court District.

(2) The terms and conditions of such leases as they affect the lessors and lessees respectively.

(3) The position of the Native lessors of the said lands with regard to milling-timber upon the lands leased or in respect of rights granted to cut timber thereon.
(4) The position of the said lessees with regard to obtaining financial assistance upon the security of their leases for the purpose of developing the land comprised in the leases.
(5) The position of such lessors and lessees with regard to improvements made upon the leasehold property during the existence of a lease.
(6) The question of whether there should be any statutory provision for increasing or decreasing the rentals of the said lands when the exigency of the case seems to require it.
(7) The position with regard to Native lands situated in the same district and vested in the Maori Land Board.
(8) Any other matter or thing necessary to elicit full information in the premises.

And with the like advice and consent I do hereby appoint you, the said

CHARLES EDWARD MACCORMICK,

to be the Chairman of the said Commission.

And for the better enabling you to carry these presents into effect you are hereby authorized and empowered to make and conduct any inquiry at such times and at such place or places in the said Dominion as you may deem expedient, and to call before you and examine on oath or otherwise as may be allowed by law such person or persons as you may think capable of affording you information in the premises; and you are also hereby empowered to call for and examine all such records, books, deeds, instruments, accounts, plans, maps, or other documents as you shall judge necessary for the purposes aforesaid, or any of them.

And, further, that, using all due diligence, but not later than six calendar months from the date hereof, you do report to me under your hand and seal your opinion resulting from the said inquiry in respect of the matters hereby referred to you, and stating in such report or annexed thereto what suggestions and recommendations you offer or make as a remedy for all or any of the matters aforesaid which in your opinion require to be remedied, and the manner, terms, and conditions in and upon which the same should in your opinion be carried into effect; and you are enjoined and directed that you shall not at any time publish or otherwise disclose, save to me in pursuance of these presents or by my direction, the contents or purport of any report so made or to be made by you.

And it is hereby declared that this Commission shall continue in full force and virtue although the inquiry be not regularly continued from time to time or from place to place by adjournment; and, lastly, that the powers, authorities, and duties hereby conferred and imposed upon you the said Commission may be exercised and performed by any two of you sitting and acting together.

Given under the hand of His Excellency the Governor-General of the Dominion of New Zealand, and issued under the Seal of the said Dominion, this 3rd day of April, 1929.

A. T. NGATA, Native Minister.

Approved in Council.

C. A. JEFFERY,
Acting Clerk of the Executive Council.

REPORT.

To His Excellency the Governor-General of the Dominion of New Zealand.

MAY IT PLEASE YOUR EXCELLENCY—

We, the Commissioners appointed by Your Excellency to inquire into and make suggestions upon certain specified matters relating to Native lands, and leases of such lands, within the Waikato-Maniapoto Native Land Court District, have the honour to report as follows :—

We commenced our sittings at Te Kuiti on the 6th May, 1929, and finished them at Otorohanga on the 30th May, 1929.

We held sittings at Te Kuiti, Taumarunui, and Otorohanga. Some sixty-five persons appeared before us as lessees to make representations as to their respective holdings. In addition, we received several statements in writing from persons possessing knowledge of conditions respecting Native lands. A copy of the oral statements made to us is attached hereto as Appendix No. 1 [not printed].

Statements in writing, lodged with us by Messrs. F. O. R. Phillips, S. Preston, and W. J. Broadfoot, M.P., are also attached as Appendices Nos. 2, 3, and 4 [not printed]. Each of these statements contains suggestions which we have found of assistance in our consideration of the matters referred to us. We desire especially to refer to the excellent history of Native-land dealings and settlement in the Otorohanga district, and the results thereof, given by Mr. Phillips, and the suggestions made as the result of his experience. These suggestions, like those of Messrs. Broadfoot and Preston, deal mainly with the future. None of these gentlemen out of their expert knowledge, and none of the applicants who appeared, had any practicable suggestion for remedying the troubles under which holders of existing leases claim to be labouring, other than what amounts to expropriation—*i.e.*, forced sale—or the cancelling of contracts lawfully entered into. This fact emphasizes the difficulty confronting us in endeavouring to find a solution of the problem.

After the conclusion of our sittings we personally visited and inspected some sixty-six properties in Te Kuiti, Taumarunui, and Otorohanga districts, which had been the subject of the representations by the different applicants. We have prepared a brief report in each case of the applicants' requests, our opinion thereon, and of the property affected. These reports are attached hereto as Appendices Nos. 5 to 70 [not printed].

The first matter into which we are directed to inquire is :—

1. The operation of the existing laws relating to leases of Native lands, whether vested in a Maori Land Board or not, within the Waikato-Maniapoto Native Land Court District.

Consideration of this question will involve consideration of questions numbered 2, 4, 5, and 6, set out in Your Excellency's Commission, namely :—

2. The terms and conditions of such leases as they affect the lessors and lessees respectively.

4. The position of the said lessees with regard to obtaining financial assistance upon the security of their leases for the purpose of developing the land comprised in the leases.

5. The position of such lessors and lessees with regard to improvements made upon the leasehold property during the existence of a lease.

6. The question of whether there should be any statutory provision for increasing or decreasing the rentals of the said lands when the exigency of the case seems to require it.

The main difficulties of the applicants who came before us related to—(*a*) Finance, (*b*) compensation for improvements, (*c*) rent. These questions are bound up with the main question of the efficient settlement of Native lands.

(*a*) FINANCE.

There is a concensus of opinion that finance cannot be obtained through any of the ordinary channels on the security of leases of Native land in the Waikato-Maniapoto Native Land Court District. The tenure and conditions as to compensation are not considered by financial institutions to be such as to afford any real security for advances. The question of assisting lessees to freehold will be dealt with later.

(*b*) COMPENSATION.

Native leases are of three classes :—

(1) Leases of land vested in the Maori Land Board and granted by it under its statutory powers. These leases provide for full compensation for improvements. (Section 263 of the Native Land Act, 1909.)
(2) Private leases where no compensation for improvements is provided.
(3) Private leases where compensation is provided for up to a specified amount (usually so-much per acre).

As to class (1), the complaint is as to the inefficiency of the provisions for payment of compensation. Section 263, already cited, contains these provisions. Subsections (5), (6), and (7) of section 263 have not been availed of or given effect to in any way in the past. To do so now would probably absorb the whole of the rent, but there is nothing to prevent it being done. Subsections (3) and (4) provide for the constitution of a charge upon the land and the appointment of a receiver. The powers of a receiver are defined by section 31 of the Native Land Act, 1909, as amended by section 3 of the Native Land Amendment Act, 1927. He cannot sell the land, and is confined to leasing for not longer than twenty-one years. Thus the immediate payment of the compensation is in no way provided for.

As to class (2) : As the contract between the parties provides for no compensation, nothing can be done for the lessees unless the Legislature is prepared to empower an alteration of the contract embodied in a lease with or without the consent of the parties. By consent this can no doubt be done under present legislation. Deputations of Natives have, however, appeared before us and objected in the most emphatic manner to any alteration of leases, especially as to compensation. It is worth serious consideration whether any future lease should be confirmed unless it contains a compensation clause. Freeholding appears to be the only solution of this difficulty where the Natives are willing to sell. It is a mere truism to say that unless a lessee gets some consideration in regard to compensation for improvements he will not improve and the land will go back to the lessors in a deteriorated state.

As to class (3) : The same difficulty is present as in class (1). The provisions for payment of compensation are similar. Section 228 of the Native Land Act, 1909, sets them out. Subsections (1) to (6) have not been taken advantage of save in one or two instances. The position as to a charge on the land and appointment of a receiver are similar to those in section 263 already referred to.

The outstanding remedy in regard to compensation in respect of all three classes of lease appears to us to lie in facilitating the acquirement of the freehold by the lessees. It is the only real solution that we can see.

An alternative would be to make the provisions of section 97 of the Native Land Amendment Act, 1913, which provides for the protection of mortgages of leases to any State Loan Department, applicable to the protection of lessees in all cases where the lease provides for compensation for improvements. Section 97, however, is drastic in its terms, and may very possibly work a hardship on lessors.

A further alternative would be to cut off portion of the land to answer the charge and to vest it in the holder of the charge. We foresee practical difficulties, however, in regard to this. The provisions of section 263/1909 could be made applicable to these private leases.

It is apparent to us that the position is not without its disadvantages to the Natives themselves. When a lease expires and compensation is payable, there is the danger of frequent occurrence that, while the land becomes subject to a charge, there is—in regard to private leases, at all events—no means of ensuring prompt action by the parties. Cases have come under our notice where the land has been left lying idle for perhaps years. The result of this in the King-country is that improvements rapidly disappear. Thus the increased value which the improvements are presumed to give to the land, and for which the land is charged by statute in favour of the lessee, will no longer be there. The position is not acute with regard to leases of vested land if the Board is provided with a suitable official to inspect and report on its properties; but with respect to private leases the remedy is not easy to give. But we suggest that there should be an official of the Board to see

that steps are taken in each case to promptly bring the parties together, and, if necessary, before the Native Land Court or other tribunal. To do this effectively would necessitate a list being prepared of all private leases of Native land in the King-country.

We instance a case where, some two years ago, a lease expired and improvements valued at over £300 were charged on the land. Nothing has been done with the land, and improvements have nearly all disappeared. In another case a lease expired some three or four years ago. Lessee has taken no steps, but it appears the statutory charge remains, and the Natives wish to use the land, but are deterred by the uncertainty as to the position in regard to the charge. We suggest the charge should lapse if by the end of, say, six months from expiry of the lease the lessee has taken no steps to have the amount of the charge ascertained and to have it enforced. The inspector or go-between could then take steps to see that the land is dealt with.

Our remarks as to lessees in class (2) failing to improve where there is no compensation apply to classes (1) and (3), though not to the same extent. Unless secure of compensation, lessees will not improve or maintain improvements beyond what they can be compelled to do. This involves an economic loss to the State. Compensation should be on the same basis as provided in the leases of vested land—namely, full compensation. It is worth consideration whether the Board should as a condition of confirmation require that private leases should follow the form prescribed for Board leases, *mutatis mutandis*.

(*c*) Rents.

So far as the leases of vested land by the Maori Land Board are concerned, there is very little complaint as to the rents. These leases provide, in the event of a renewal, a rental of 5 per cent. of the unimproved value, which appears equitable and to give satisfaction. As to private leases, the grievances are—

(1) Rentals fixed too high for the whole period of the lease in some cases. There are comparatively few of such complaints.

(2) The more numerous and substantial complaints are as to the fixed increases of rent for later periods of the leases. The most common instances of this are where the leases provide that for the second half of the term the rent shall be double that for the first half. Other cases are where the rent increases by fixed amounts during periods of seven years or longer, usually ending up with more than double the original rent.

Without the consent of the lessors no relief can be given unless power be given by legislation to review the rents. With consent that can be done now, and it has been done in several cases. Section 5 of the Native Land Amendment Act, 1926, affords an indication of the mind of the Legislature on this point.

The question is one of great importance. We are satisfied that in many cases the lessees cannot carry on under the burden of arbitrarily increased rents, irrespective of value. The position was entirely misconceived in the days when these leases were entered into. The difficulties peculiar to farming King-country lands were not understood, and there have been other unforeseen factors, notably the great increase in the cost of production. The system of fixed increases of rent appears to us in any case to be an unsound one. While recognizing the difficulty of interfering with the terms of a contract, we think that it should be earnestly considered whether some power to review should not be given, even if the lessors do not consent. We go to this length because we are convinced that if some relief be not given much of the leased land will be abandoned, and none of it will be farmed to the best advantage. And improvements will go. In many cases they are already going. Such a position will certainly not be to the advantage of the Natives, still less to that of the State. The principle on which rents should be fixed should be 5 per cent. of the value of the owner's interest in the capital value; but it should not necessarily be fixed on such a principle for twenty-one years. In many cases rent should be reviewed every seven years. There, again, freeholding would solve the difficulty.

FREEHOLD.

We have already stated our view that acquisition by lessees of the freehold of their holdings is the only practical solution of the difficulties relating to finance, compensation, and rent.

As to lands the legal estate of which is still in the Natives—that is to say, which have not been vested in the Maori Land Board—no legal difficulty exists. The two factors to be considered are the consent of parties and the capacity of the lessee to finance.

As to lands vested in the Board, the position is that the lands which have been leased were set apart for that purpose (section 239 of the Native Land Act, 1909); hence no power exists for conversion into freehold except in the case of a purchase by the Crown, which is not bound by any of the restrictive provisions of the Act. (Section 360/1909.)

Section 83/1913 prohibits the alienation by any Native of his equitable or beneficial interest in any land the legal estate of which is vested in a Maori Land Board.

It has been suggested that in the case of land owned by more than ten owners the difficulty is removed by subsection (1) of section 346/1909. We think, however, this is more than doubtful. Subsection (2) of section 346 seems directly against the suggestion. Moreover, section 346 appears to be a general section, while section 83 is a special one, and the special would override the general. It is also later in date.

Where the lessee has been able to find the money himself, the Crown itself has in many cases acquired the freehold really for the lessee under the provisions of section 110/1913.

Whatever may be the actual position of the law, we strongly recommend that it be clearly provided that any tenant of vested land should have the right to acquire the freehold of his holding without necessarily invoking the aid of the Crown. There is no doubt that acquiring through the Crown saves the tenant expense, but there is no obligation or duty on the Crown to do it, and the present policy may be changed. As it stands at present, we respectfully suggest that it amounts to an admission of the desirability of tenants freeholding. What we are more particularly aiming at is the question of finance. Many good settlers earnestly wish to freehold as the way out of their difficulties, but cannot find the money. Our suggestion is that in suitable cases it would be for the public benefit that the Crown should find the money and arrange for repayment over a period of years, on similar lines to what has been done in Native townships, under such further precautions as experience has shown to be necessary.

As an alternative, power might be given to the Maori Land Board, subject to the approval of the Native Minister, either to devote portion of its funds or to raise money on mortgage or debentures to acquire land for the purpose of allowing tenants or others to purchase on deferred payments.

We desire to refer especially to Rangitoto-Tuhua 77A 2B, or Tangitu Block. This block has been the subject of special consideration by the Chairman in his capacity of President of the Waikato-Maniapoto District Maori Land Board, and we, as Commissioners, have heard a number of the tenants and inspected a large portion of the block. It is all taken up on lease from the Board. The tenants, with two or three exceptions, are keeping their rents paid. They have no complaints to make as to their rent or as to the quality of the land. So much of the land as we were able to inspect appears to be of quite good quality, though broken, and some of the tenants are doing quite well, while there appears no adequate reason why others should not do so. The tenants earnestly wish to be allowed to freehold, but in most cases cannot find the necessary money. They have practically exhausted their resources in some instances and the land is beginning to suffer, a state of things that will become worse. The Native owners, we are informed, are willing to sell.

The wish to freehold has as its motives the inability to get finance on the security of Native leases and the unsatisfactory position in regard to payment of compensation. The improvements on the Tangitu land run into thousands of pounds, and the lessors will have the right to call for payment in about five years' time

unless they renew the leases. They say with justice that they cannot see where their compensation is coming from either at the end of the lease or at the end of the renewal. If nothing can be done, the result clearly will be that the land will suffer and the tenants' position steadily become worse. It constitutes an outstanding instance of the position we have been discussing. In nearly every case the leases are mortgaged to the State Advances Department.

As to Native leases of land not vested in the Board, much the same considerations apply. The same motives actuate the settlers in their desire to freehold, and the methods, if any, to be adopted must necessarily be similar.

So far we have dealt with this question only on the assumption that the Native owners are willing to sell in each case. But it is a question for consideration whether in any case, where Your Excellency's Advisers may consider it to be in the interests of land-settlement, Native land should not be subject in the same manner as European land (section 19, Land for Settlements Act, 1925) to be taken for settlement purposes—of course, upon payment of adequate compensation, and provided that the land was not required by the owners for their own use. By "settlement" we, of course, mean both Native and European settlement without distinction.

Settlement.

In our opinion the first step to be taken towards efficient settlement of Native lands is classification. They should be divided into—(*a*) Lands suitable for Native occupation and farming and which can be brought to production at moderate cost; (*b*) lands which can only be made productive by the expenditure of considerable capital and efficient methods of farming, and which would be better in the hands of Europeans than Natives; (*c*) lands which are suitable for afforestation, on which Natives could be employed.

Where large areas are acquired by the Crown, we suggest that part of the purchase-money might be retained to form a fund to enable the sellers to be established on land suitable for Native occupation.

We wish to draw special attention to the large area of good land lying to the east of Otorohanga which is capable of great development and largely increased production.

Certain subsidiary matters are bound up with the question of settlement.

Valuation.

While it seems now to be recognized that King-country lands were overvalued in years gone by, thereby causing to a large extent the difficulties as to rent now being experienced by lessees, we have come across instances where it appears to us they are still too high. It would also appear that valuers are not always fully aware of the terms of leases which affect the apportionment of value between lessor and lessee.

Strong complaint has been voiced as to the system of apportioning improvements between lessors and lessees. It certainly does not seem to work out justly, and we suggest it should be reconsidered. The trouble clearly arises in most cases from original overassessment of the unimproved value.

Another complaint relates to the valuation of land affected by blackberry or other noxious weeds. We are advised that it is a statutory requirement that in valuing such land the value of the improvements has to be exhausted before anything is deducted from the unimproved value on account of the noxious weeds. This is not just as between lessors and lessees.

Another complaint is as to drainage rates in special-rating areas. It is stated that the increase in value of the land caused by draining operations (which are paid for by special drainage rates charged upon the land) is always credited to the unimproved value. If this be so, in our opinion it is neither logical nor just. It is an improvement, and the value should be added to the value of the improvements. Any increase which in the past has been made to the unimproved value on account of drainage should be deducted. We are in entire accord with the remarks of Mr. F. O. R. Phillips on this subject.

Rates.

Overvaluation in the past naturally resulted in heavier rates for the settlers. Though some relief may have been afforded by recent revaluations in some cases, the effect of the earlier assessments still obtains because of the large sums which have been borrowed on the security of both general rates and rates in special-rating areas. This could not have been done to the same extent but for the high valuations. We suggest that consideration should be given to the incidence of taxation with a view to relieving some of the burden placed on the land by rates and obtaining the revenue in other ways.

With regard to rates on Native land, we understand that the question of exempting some of these land from payment of rates is being considered, and we make no comment upon it.

Roads.

Owing partly to subdivisions frequently made by the parties themselves without reference to the Native Land Court, and partly to early partitions, some occupants of Native land find themselves without any legal access to their holdings. Others with legal access have no formed road. The remedy appears to be one of finance only. If the persons affected will make efforts on their own behalf, we suggest that sympathetic consideration should be given to the question of helping them. In several districts the settlers have formed roads by means of special-rating areas. It appears to us that, generally speaking, King-country lands will not stand the cost of roading being placed upon them. We will refer again to the importance of good roads.

Supervision.

It is essential to the success of Maori farming in the King-country that the work should be closely supervised, and instruction and advice given, by a man who is not only competent and experienced in regard to local conditions, but who is also sympathetic towards Natives and likely to get on well with them.

Farming in the King-country has its own special difficulties and peculiarities, and experience has shown that methods of farming which have been successful in other parts of New Zealand have failed in the King-country. Constant manuring and proper stocking are essential, otherwise second growth and weeds rapidly take charge. There are large areas of ploughable land which can be profitably used under a good system of farming, but with considerable expenditure of money. These remarks apply to both European and Native farming. The Maori Land Board should have efficient rangers or supervisors to see that its tenants carry out their obligations and that its vested lands are made the best use of.

Two essentials to successful farming in the King-country are cheap fertilizers and efficient means of transport, which involves good roads. The effect of plentiful use of fertilizers and improved roads has been very noticeable in a number of the districts which we have visited.

Fencing.

A grievance of the settlers is the difficulty of collecting a proportion of the cost of boundary-fences and the maintenance of them where the adjoining land is unleased Native land. The remedy prescribed by law is that of a lien upon the land in terms of the Fencing Act, 1908. This is expensive to obtain and hard to collect. As a rule the amount is not recovered till the Native land is alienated. It seems doubtful whether any lien is obtainable for the cost of repairs. If not, we consider it should be. The position creates a hardship in many cases, but we are unable to see a practicable and effective remedy.

Drainage.

Our attention has been drawn to difficulties stated to exist in regard to raising money for this purpose. One thing that deters lenders is that the investment is not one in which trustees are authorized by statute to place trust funds. An instance is the position of the Drainage Board formed to straighten and clear the courses of the Mangapu and Mangaokewa Streams. These two streams formerly drained a large area of high-class land lying between Otorohanga and Te Kuiti.

Owing to growth of willows and other causes, the streams no longer carry off the water, and a considerable area is flooded throughout the winter. This entails a substantial economic loss to individual settlers and to the State. Notwithstanding that the Government has agreed to subsidize the scheme to the extent of over £5,000, the Board finds itself unable to borrow on the security of its rates the £8,000-odd needed to make up the estimate of £14,000 required. We suggest that, in the public interest, every consideration should be given in the direction of devising means to enable this and similar drainage schemes to function.

Afforestation.

Considerable areas appear to us to exist in the district which are not suitable for farming under present known methods. These areas, if acquired at a sufficiently low price, could, in our opinion, be used for afforestation, which among other advantages would afford a means of employment for Native labour.

Milling-timber.

The third matter mentioned in Your Excellency's Commission is—

3. The position of the Native lessors of the said lands with regard to milling-timber upon the lands leased or in respect of rights granted to cut timber thereon.

Very little was said to us upon this subject. No lessee or licensee appeared. In two cases Native lessors made complaint. In the one case the complaint was that the lessee was merely using the place for the purpose of cutting the timber and was not attempting to farm it. The Native lessor was advised that in such case her remedy was to determine the lease for breach of covenant, and that the Maori Land Board would take action on behalf of the owners if suitable arrangements were made. This related to Rangitoto-Tuhua 61J. The other complaint was as to Rangitoto-Tuhua 60C 2, which is vested in the Maori Land Board.

The question as to the powers of lessees to cut and sell milling-timber on their leaseholds has been the subject of much litigation. After a decision of the Court of Appeal of New Zealand against the lessees, the matter was finally determined by the decision of the Privy Council in Porou Hirowani and others *v.* Gardiner (21st January, 1927), holding that lessees were entitled to cut and sell timber without any payment to the lessors. Prior to that decision lessees were in a number of instances paying royalty to the lessors for timber disposed of. That was the position in Rangitoto-Tuhua 60C 2. Since the decision the lessees are not paying royalty.

The law being settled, no remedy exists short of legislation arbitrarily varying the contract embodied in the lease. But where any lessee has made substantial profit out of timber he should not be afforded any future relief or assistance unless upon the terms of his bringing into account the profit so made.

As to the rights granted to cut timber, difficulties have occurred in the past mainly over the payment of royalties. Owing partly to the laxity of the Natives themselves, they have not always received their royalties. Financial troubles of licensees or grantees have sometimes brought about a similar result. The Maori Land Board, however, is alive to the position, and special precautions are now taken to ensure payment.

It is worthy of consideration whether section 14 of the Native Land Amendment Act, 1924, should not be amended so as to cover all timber or other agreements relating to indigenous usufructs.

Question No. 7.

7. The position with regard to Native lands situated in the same district and vested in the Maori Land Board.

Our remarks on this question are largely covered by our previous comments and suggestions.

It has been submitted that restrictions as to improvements and residence have militated against the demand for vested lands. (See page 3 of Mr. Phillips's statement; sections 250 and 251 of the Native Land Act, 1909.)

These provisions have been leniently interpreted both by the Native Ministers and the Maori Land Board. While favourable consideration might be given to the question of dispensing with the condition as to residence, we do not think there should be any relaxation as to improvements. To do so would be to encourage speculation. It may be pointed out that the provisions of section 256/1909 create an anomaly as between a purchaser as there mentioned and a lessee of vested land who acquires the freehold through the Crown under section 110/1909. The latter gets a title without residential or improvement conditions forthwith; the former has not only to wait for five years from the date of the contract, but has to perform the conditions of his contract. We suggest that if a purchaser under contract of sale has effected the prescribed improvements of not less than 30 per cent. of the price of the land, and has paid the whole of the purchase-money, there is no sound reason why he should not get his transfer forthwith.

Section 6/1926 might be amended in the direction of removing any doubt as to the right of a sublessee to obtain a renewal of his sublease where the head lease and sublease both contain such a right, without the necessity of moving through the original lessee or his assignee, who may not be available.

Question No. 8.

8. Any other matter or thing necessary to elicit full information in the premises.

We have dealt with this question as far as we are able in reporting on the other questions into which we are directed to inquire by Your Excellency's Commission.

We have the honour to be,
Your Excellency's most obedient servants,

Chas. E. MacCormick, Chairman.
W. F. Metcalfe.
G. W. Richards.

Dated at Auckland, this 3rd day of July, 1929.

Approximate Cost of Paper.—Preparation, not given; printing (475 copies), £8.

By Authority: W. A. G. Skinner, Government Printer, Wellington.—1929.

Price 6d.]