

1873.
NEW ZEALAND.

NATIVE RESERVES, MIDDLE ISLAND.

(REPORT BY MR. ALEX. MACKAY.)

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

SIR,—

Native Reserves Office, Nelson, 30th July, 1873.

I have the honor to forward herewith, for the information of the Hon. the Native Minister, a report of the condition of the Native Reserves, property under my charge in the South Island, from the 1st January, 1872, to the 30th June, 1873.

Provinces of Nelson and Marlborough.

The chief portions of the estate from which an income is derived are situated in the town of Nelson and the districts of Moutere and Motueka, and consist of fifty-two town sections, containing in the aggregate 50a. 2r. 36p., and 4,100a. Or. 15p. of suburban land in the last named district, less 1,294 acres in the occupation of the Natives. There are also forty quarter-acre sections in the town of Westport, a few of which are now beginning to yield a rental.

The gross rental derivable from the property at present is £1,500 per annum; out of which sum £330 is payable to the Natives for rent; the remainder, after defraying permanent charges, is spent in improving the general condition of the Natives by assisting them in their industrial pursuits, and in aiding them from time to time to erect a better class of houses. Medical attendance is also provided for them out of the fund, and rations and clothing supplied to the sick and indigent.

The income collected from the estate during the above-named period amounts to £1,698 9s. 5d., this, added to £600 on mortgage, and £447 3s. 1d., balance to the credit of the fund in Public Account on the 1st July, 1872, makes a total of £2,745 12s. 6d. The expenditure for the same period amounts to £2,511 2s. 3d., leaving a surplus to the credit of the fund of £234 10s. 3d.

The past year has been a very expensive one to the Trust, in consequence of the destitution of the Natives in several localities, caused by the destruction of their crops through the vicissitudes of the weather. The people of Motueka, about eighty in number, have been the chief sufferers in that way, the majority of whom have had to be maintained for over six months at the expense of the fund, in consequence of the destruction of their crops by floods during the previous winter, and the long continuous drought of the past summer causing a failure of their early crops.

An expenditure of £527 8s. 8d. has been incurred in providing Natives with provisions and clothing during the past year: out of which £352 19s. 6d. was expended for provisions for the Natives of Motueka; £108 12s. 0d. for rations and clothing for sick and indigent Natives, Natives visiting the town on business with the office, rations to sick Natives undergoing medical treatment, and clothing for aged and decrepid Natives, a large number of whom had to be supplied. A good deal of sickness also prevailed, especially amongst the children.

A sum of £28 18s. 5d. was expended for destitute Natives in the Takaka and Collingwood districts, and £10 7s. 0d. for medical comforts for the Motueka Natives.

The sum of £26 11s. 1d. has been expended in providing rations for the widow of Wakatau Kaikora, as authorised by the Hon. Native Minister by letter No. 160-2, 26th July, 1871, making a total as above.

The seed potatoes procured for the Natives of Motueka cost £100 12s. 10d., and £33 4s. was expended for building materials on their behalf.

£128 19s. 10d. has been expended in providing the Natives with ploughs and harrows, tools, and ironmongery, and paint for boat building purposes, and £40 4s. 6d. for harness.

The sum of £25 has been lent to Natives, and £170 2s. advanced to defray the cost of passages. These two sums are repayable to the Trust, being simply advances made to meet the exigencies of the Natives at the time.

The cost of supplying the inmates of the hostelrys during the past year with fuel and potatoes amounted to £18 4s. 1d., and the sum of £18 has been paid for allowance to a blind Native. The recipient, an old pensioner on the Fund, has recently died, the contribution for this object will therefore cease.

The sum of £335 has been paid to the Natives for rent collected on their behalf by the Trust from surplus land in their possession in Motueka, unrequired for purposes of cultivation.

In conformity with instructions received by telegram No. 618, of 4th October, 1872, authorising me to expend the sum of £400, out of the Native Reserve Fund, in constructing a road through the Native land at Wakapuaka, I have expended the sum of £307 9s. 8d. in money and provisions for this purpose.

The entire length of the road is $3\frac{1}{2}$ miles, of which the whole distance is cleared of timber a chain wide, and two miles are formed. The Natives did the clearing themselves, and have formed 41 chains of road besides, in aid of which they received provisions to the value of £40 12s. 8d.

This road when completed will prove a great boon to the Wakapuaka Natives—a greater could not have been conferred. The amount authorised, however, will be inadequate to complete the work, as there is yet a mile and a half of road to complete, which, at the lowest cost, could not be constructed under thirty shillings a chain. An additional sum of £60 would be sufficient for the purpose, and I would beg to recommend that the expenditure be authorised.

Fencing in, and repairing the hostelrys on the Haven road, have cost a sum of £66 13s. 4d. This expenditure was highly necessary, as the buildings had become very dilapidated. It was proposed ten years ago to pull down the present buildings, and erect one large one in place of them, but the project has not been attempted for various reasons, one being that the Fund has not been in a position to bear the expense. The visits of the Natives also to town are more unfrequent now than in former years.

The sum of £7 5s. has been incurred for funeral expenses, and £43 0s. 1d. for miscellaneous items for the behoof of the Natives.

The sum of £15, received from the Superintendent of Marlborough for the purchase of 2 acres 2 roods 30 perches of Native Reserve No. 20, in the Pelorous, for a road, has been paid to the Natives owning the land.

The salaries paid for medical attendance on the Natives during the past year amount to £231 6s. 6d., and the Commissioners', Secretary's, and Interpreters', to £234 3s. 4d.

The sum of £32 8s. was paid to defray the travelling expenses incurred by the Commissioner and Hemi Matenga while visiting the various districts on Native business, and £3 12s. was expended for rates.

The commission on collecting rents in Moutere and Motueka amounted to £57 10s. 2d.; stationery to £5 17s. 9d.; surveys and plans to £48 16s.; printing and advertising to £17 13s. 3d.; legal expenses to £24 13s. 3d.; and clerical assistance to £18 18s.

A few fresh leases have been executed during the past year where properties have changed hands but the majority of the tenancies are held under leases issued in 1860 for terms of fourteen and twenty-one years, so that very little change can take place in the condition of the property for some time to come.

Application has been made by the central Board of Education to purchase section 205 in the town of Nelson as a site for a school, as it offers peculiar advantages for that purpose. The price offered for it by the Board is £200; at present the land is occupied by Messrs. Hooper and Dodson as yearly tenants at a rental of £2 per annum, and as it is not probable that it will ever produce a fair per centage on its selling value, I would beg to recommend that it should be sold for the price offered, which is an adequate one, and the proceeds added to the amount already invested on mortgage.

The Educational Reserves on the West Coast, containing in the aggregate 3,490 acres, set apart in 1860, have as yet proved unproductive and will probably remain so for some few years yet, until settlement extends to the localities in which they are situated.

The remainder of the reserves in the Province of Nelson—containing an aggregate area of 58,565 acres—are in the occupation of the Natives, and involve a different principle of management.

The reserves in the Province of Marlborough contain an aggregate area of 21,414 acres, 522 acres of which are under the operation of "The Native Reserves Act, 1856," the remainder are in the occupation of the Natives and comprise a large proportion of hilly and worthless land.

The reserves under the Act are chiefly situated in the Pelorus. The amount of rental derived therefrom is not large at present, and is paid to the Natives having a beneficial interest in the land.

County of Westland.

The reserves in the County of Westland comprise in the aggregate 5,937 acres, of which 3,423 acres are under the operations of "The Native Reserves Act, 1856."

The gross rental derivable from the estate per annum amounts at present to £3,800, of which the largest proportion is derivable from Greymouth.

The income collected in the shape of rents during the period comprised in this report, amounts to £3,667 1s. 3d.; this, added to £4,473 18s. 5d., balance to the credit of the Fund in Public Account on the 1st July, 1872, £85 received from the sale of land at Totara Flat, Upper Grey, and £400 debited to Princess Street Reserve, Dunedin, make a total of £8,625 19s. 8d.

It would seem, *vide* letter from Under Secretary Native Department, No. 220-1, of 19th April, 1873, that the sum of £400, supposed to have been borrowed from the Fund in November, 1867, to defray the cost of a suit in the Supreme Court, *in re* Princess Street Reserve, Dunedin, was not paid out of that source, but out of consolidated revenue, the amount has therefore been carried to the credit of the Fund.

The expenditure for the past year amounts to £4,063 18s. 9d., leaving a balance to the credit of the Fund of £4,562 0s. 11d. Of this amount, £2,394 16s. 6d. has been paid to and on behalf of the Natives having an interest in the estate in the shape of allowance for rent, implements, vehicles, and harness, passages, and miscellaneous comprising the cost of new buildings at Arahura and sundry smaller items.

The sum of £159 9s. 9d. has been expended for survey, in having a correct survey made of the business portion of the town of Greymouth in consequence of the numerous encroachments by tenants, both on the street lines and on adjoining sections.

All the old survey marks had become entirely destroyed through the improvements that have taken place since the commencement of the town, and there was no accurate means of adjusting quarrels between tenants relative to their boundaries, or of placing persons in possession of their allotments. These difficulties have now been permanently obviated by the survey that has been effected, precaution having been taken to put in iron pegs at all the street corners, and fixing two permanent stations from which all future measurements can be adjusted. This work has all been plotted carefully on a plan prepared specially for the purpose.

The work was highly necessary in view of the growing importance of the place, and was done to prevent the trust being mulcted in heavy damages.

The balance of the expenditure was incurred in having the Arnold reserve surveyed and subdivided, and a portion of it laid off as a township, in view of land being required for that purpose there, should the coal seams be worked on that side of the river.

The cost of plans during the year for office purposes and for the Natives amounted to £16 5s. The commission on collecting rents, and other charges of a similar character, amounted to £204 4s. 6d., and salaries to £214 3s. 4d. Travelling expenses, printing and advertising, clerical assistance, rent of office, sundries, and road rates, make a further sum of £86 1s. ; and £998 18s. 8d. has been expended out of the sum of £1000 authorised in aid of protective works at Greymouth.

The proposed line of railway from Greymouth to Brunnerton, now in course of formation, and other public works, that have been executed recently in the neighbourhood have tended materially to enhance the value of property in Greymouth.

Before the railway works were commenced, the mere rumour of the undertaking caused building allotments in eligible positions to change hands at a high price, and the value of every description of business property in the town rose commensurately.

The disposition manifested by a few of the tenants about a year ago to acquire the fee simple of the land has evidently subsided, and another cause of disquietude has been circulated.

The resolution passed by the Borough Council of Greymouth to borrow £7000 on security of a special rate on all rateable property within the Borough, for the purpose of effecting certain improvements in the town of Greymouth, has given rise to a question concerning the renewal of leases held under the Trust, and the right of the Trust to ask a higher rental at the expiration of the present leases, has been variously discussed by the Press and at public meetings, the main argument being that as the land belonged to the Natives, the occupants had a right to expect, as a reward for having reclaimed it from the wilderness, to retain all the advantages accruing from their energy ; and that the Natives should not profit in proportion for the increased value of the land, notwithstanding many of the former are now receiving compensation for their outlay in the shape of low rents.

With regard to the renewal of the leases, no practical difficulty exists, and that fact must be generally known, as assurance has been given over and over again that, although a right of renewal cannot be inserted in the leases, that the intention is to let the land in perpetuity for the benefit of the Natives, and that whoever is in possession at the expiration of any of the terms of lease, provided the occupant would agree to pay an equitable rent for the premises in proportion to the increased value of the property, that an extension of lease would be granted him.

This principle is based on an old established practice in England, where it is considered that those who are in possession of leases for lives or years, particularly from the Crown, have an interest beyond the subsisting term, which is usually denominated "the tenant's right of renewal." This interest, although it is not a certain or contingent estate, there being no means to compel a renewal, yet it influences the price in sales and conduces to the security of the tenure beyond the fixed term.

One argument adduced in favour of the views held by the residents of Greymouth, is, that there could be no right of property in land that remained unsubdued to the purposes of man.

If this principle was maintained in regard to the right of property in land irrespective of to whom it might belong, it might possibly be admissible, but why it should be specially applied to the case of the Greymouth Reserve it is difficult to understand ; and it may be argued, in opposition to this doctrine, that if the right of property go along with labour, how can the land of persons who have bestowed but little labour upon the soil, be usurped by civilized people from a distance, who have only laboured on it with the permission of its recognized owners.

The weakness and ignorance of the Native owners demand a more scrupulous fidelity from their civilized guardians, and any attempted infringement of their rights as British subjects, should be carefully guarded against.

Did the land belong to the same number of Europeans no allusion would have been made to such heterodox principles, nor would legislative intervention be continually sought to cure imaginary grievances.

The general principles upon which the Native Reserves Estate at Greymouth has been let, are, that the land should not be let so much with a view to the largest immediate return as to the creation of a permanent and respectable property, and to the general improvement of the town of Greymouth. The annual rental derivable from the various portions of the township has been determined by the relative position and value of the land. Those portions which afford the greatest facilities for business commanding the highest rent, and those which recede from them commanding a lower and lower rent, until they have receded so far from the centre of business that the land is only valuable as sites for dwelling houses. The value of the land again beyond gradually diminishes until situation is but a small part of the price.

For instance, the current annual rental in the front street is at the rate of £600 per acre ; in the side streets to their junction with the first cross street, at the rate of £400 an acre ; and in the first cross street, at the rate of £200 an acre, and goes on gradually diminishing in proportion as the land recedes from the business centre, until it reaches a rate of £5 per acre.

Here, a different principle is involved, the rent of this land increases every seven years, while that in the front streets is a fixed amount, and would be subject to reduction in event of property depreciating in that part of the town.

The object in letting this land at what may be considered a low rate of rental, was to encourage settlement, and enable the occupants to reimburse themselves for the outlay expended on reclaiming land covered with a very heavy growth of timber, and on making permanent improvements, such as clearing and forming streets, &c.

All the leases issued for this part of the property are for a period of 21 years, only a few years of which have run; and when the subsisting term expires a higher rate of rental may reasonably be demanded.

With reference to a statement that has been circulated amongst the tenants at Greymouth, to the effect that on the occasion of my last visit there I had intimated to some of the tenants, in reply to a question "whether the leases would be renewed on the same terms, that they would not; but since property had increased in value, the rents would be increased in a like ratio," I beg to state in general terms that I have no recollection of having held a conversation of that nature with any of the tenants, although I have stated on previous occasions that on an extension of lease being granted for premises now occupied at a low rent, a higher price would be demanded in proportion to the increased value of the surrounding land at the time. As an instance of the unreliable nature of the statement that a number of the leases are about to fall in, I may state that the majority of the leases have been issued for terms of fourteen and twenty-one years, and of the few that were issued for a lesser term, most of them have been previously renewed at an advanced rent, without demur on the part of the occupants. It will be seen, therefore, that there is no real cause of complaint.

I should not have alluded to this subject, had not a suggestion been made that Government should be requested to intercede.

Concerning the proposition mooted some time since to sell the estate, and capitalize the proceeds, no good reason has yet been adduced why such a course should be adopted, but the contrary, for besides committing a waste, very little benefit would have accrued to the majority of the occupants.

It might under some circumstances be of public importance to remove the barrier which extensive reserves are to colonization, but there can be no sound objections to reserves of moderate size, much less to lands occupied under favorable terms.

It is a recognised principle of political economy, "that rent must exist, and cannot be got rid of, and that it is vain to think of destroying the 'monopoly,' as it is sometimes called, of landowners, it revives as naturally by an economic law, as water finds a level by physical law;" and had the sale of the Greymouth Estate been sanctioned, it would have simply been a change of landlords, without conferring any corresponding advantage.

I enclose herewith detailed returns of both Funds for audit, as well as an abstract of each for publication on the accounts being examined.

The Under Secretary Native Department,
Wellington.

I have, &c.,

ALEXANDER MACKAY,
Commissioner Native Reserves.

STATEMENT of the RECEIPTS and EXPENDITURE of the NATIVE RESERVE FUND, NELSON, from 1st July, 1872, to 30th June, 1873.

DATE.	RECEIPTS.	AMOUNTS.	TOTALS.	EXPENDITURE.	AMOUNTS.	TOTALS.
		£ s. d.	£ s. d.		£ s. d.	£ s. d.
1872.						
July 1st	...	...	600 0 0	Amount Expended on behalf of Natives—	527 8 8	
	To Amount invested on Mortgage	...	447 3 1	Rations and Clothing	100 12 10	
	" Balance to credit of Fund in Public Account	...		Seed Potatoes	33 4 0	
	" Amounts collected and paid to Public Account, as under—	...		Building Materials	128 19 10	
	Nelson	...		Agricultural Implements	40 4 6	
	Monterey and Motueka	...		Harness	25 0 0	
	Aorere	...		Loans to Natives	170 2 0	
	Westport	...		Passages	18 4 1	
	Pelorus	...		Fuel and Potatoes	18 0 0	
	D'Urville's Island	...		Allowance to Blind Native	335 0 0	
	Queen Charlotte Sound	...		Rent paid to Natives	307 9 8	
	Interest on Mortgages	...	1,610 7 5	Forming Road at Wakapuaka	66 13 4	
	Repayment of Loans	...	22 16 0	Repairs, &c., Native Hostelry	113 16 6	
	Miners' Right Fees, Native Land	...	19 6 0	Medical Attendance	7 5 0	
	Sale of Part 20, Pelorus	...	31 0 0	Funeral Expenses	43 0 1	
		...	15 0 0	Miscellaneous	15 0 0	1,950 0 6
				Methana and others, Purchase of Road at Pelorus		
				Salaries	43 6 8	
				Travelling Expenses	92 8 0	
				Commission on Rents	57 10 2	
				Rates	3 12 0	
				Stationery	5 17 9	
				Surveys and Plans	48 16 0	
				Printing and Advertising	17 13 3	
				Legal Expenses	24 13 3	
				Clerical Assistance	18 18 0	252 15 1
				Total Expended of Imprests		2,202 15 7
				Supplemental Amounts paid direct from Treasury—		
				Proportion of Commissioner's Salary charged against Fund (10 months)	145 16 8	
				Secretary's Salary	25 0 0	
				Interpreter's Salary	20 0 0	
				Medical Officers' Salary	117 10 0	308 6 8
				Total Expenditure	2,511 2 3	
				Balance at credit of Fund in Public Account	234 10 3	
			2,745 12 6		2,745 12 6	

ALEXANDER MACKAY, Commissioner Native Reserves.

STATEMENT of the RECEIPTS and EXPENDITURE of the NATIVE RESERVE FUND, GREYMOUTH, from 1st July, 1872, to 30th June, 1873.

DATE.	RECEIPTS.	AMOUNTS.	TOTALS.	EXPENDITURE.	AMOUNTS.	TOTALS.
		£ s. d.	£ s. d.		£ s. d.	£ s. d.
1872. July 1st ...	To Balance to credit of Fund in Public Account ...	...	4,473 18 5	By Allowance to Natives for Rent ...	1,820 8 4	2,394 16 6
1873. June 30th ...	" Rents collected during the period and paid to Public Account as under—	...		" Implements, &c. ...	122 13 0	
	Greymouth ...	3,373 15 0		" Passages ...	88 16 0	
	Kaiata and Arnold ...	34 7 6		" Miscellaneous ...	362 19 2	
	Ahaura ...	9 2 6		" Surveys ...	159 9 9	
	Teremakau ...	3 17 6		" Plans ...	16 5 0	
	Arahura ...	188 1 3		" Commission on Rents ...	204 4 6	
	Hokitika ...	51 17 6		" Salaries ...	33 6 8	
	Okarito ...	6 0 0		" Travelling Expenses ...	26 1 5	
1872. December 31st ...	To Amount realized from Sale of Land at Totara Flat ...		3,667 1 3	" Printing and Advertising ...	18 18 0	
1873. June 30th ...	" Amount formerly debited to Princes street Reserve see letter of Under-Secretary, Native Department, No. 220, April 19, 1873 ...		85 0 0	" Clerical Assistance ...	22 9 6	1,498 5 7
				" Rent of Office ...	8 0 0	
				" Sundries ...	5 12 1	
				" Road Rate ...	5 0 0	
				" Protective Works ...	998 18 8	
			400 0 0			
				Total Expended out of Imposts ...		
				" Supplemental Amounts paid direct from Treasury—		
				Commissioner's Salary (10 months) ...	145 16 8	
				Interpreter's Salary ...	25 0 0	
				" Balance to credit of Fund ...		8,625 19 8
			8,625 19 8			

ALEXANDER MACKAY, Commissioner Native Reserves,