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NATIVE RESERVES, NELSON AND GREYMOUTH

(PAPERS RELATING TO), BY A. MACKAY, WITH STATEMENTS OF RECEIPTS AND EXPENDITURE.

[In continuation of G.-3, 1880.]

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

Mr. ALEXANDER MACKAY to the UNDER-SECRETARY, Native Department.

SIR,— Government Buildings, Nelson, 14th May, 1881

I have the honor to enclose herewith the annual statement of the receipts and expenditure of the Nelson and Greymouth Native Reserve Funds for the financial year ending 31st March, 1881.

Owing to the depreciation that had taken place in the value of all property on the West Coast, the tenants at Greymouth applied for a reduction of their rentals.

A meeting of the leaseholders was convened in June last, and committees formed for the purpose of gathering information respecting the depreciation of the property, the general depression of every branch of trade and labour, and other facts in support of the application for a reduction. Sufficient evidence having been adduced in support of these facts, it was agreed, after consultation with the Natives beneficially interested in the estate, to reduce the rents as a concession to the lessees, who, though they had profited in past years, were then serious losers through the depreciation of the property; and although the remission made might, under the circumstances, appear to them an inadequate one, it was fully as much as the estate could afford, and involved a serious reduction of its income.

The following scale was ultimately agreed on with the consent of the owners, viz., a reduction of 25 per cent. on the rents in the front street, and a proportionate reduction on all the other streets to the north of the Tidal Creek; such reductions to commence from the 1st July, when fresh leases on the aforesaid terms would be granted for twenty-one years.

These reductions would only be granted on the distinct understanding that the sub-tenants received an equitable concession likewise.

A number of fresh leases have already been issued on these terms.

With regard to the reduction of rent, there can be no question that it is the paramount duty of a landlord to help the tenant in times of need. This view of the question is in accordance with the principles laid down by the Roman jurists, who, having no partiality for either landlord or tenant, simply laid down those principles of justice and common-sense which commend themselves to every one. The general principle laid down was that, when serious loss was sustained by the tenant through unforeseen and unpreventible causes, the loss fell on the landlord. The rule, however, was subject to two exceptions: 1. The landlord was not bound to remit the rent if in the previous years there had been exceptionally favourable crops. 2. But if he did remit, and good years followed, he was entitled to go back upon the year of remission, and demand the rent for that year.

These principles are entirely in accord with the views I have always held on the subject, that a system of reciprocity should exist between landlord and tenant: not that one should bear all the burden, or that covenants and contracts should be read in favour of one party only The tenant makes a covenant, and when it is going against him he asks to be relieved. That can hardly be considered an equitable view of the question, without he is also willing to reciprocate when his turn comes.

It has been the practice on various occasions to blame the altered condition in the prosperity of Greymouth to the heavy rents charged by the Native Trust; but I would submit that it was not the rents payable to the Trust that formed the heaviest burden, nor was the cause of the depression attributable to these circumstances.

The depression was produced in a great measure by the falling-off in the yield of gold and the consequent decrease of the mining population, the general stagnation of trade, and the failure of many gold-mining and coal-mining ventures, in which the inhabitants had invested a large proportion of their capital. These are the most apparent causes, but there are others which have been quite as powerful in contributing to the pressure. It is a well-known fact that the credit-system had been extended through the country to a dangerous extent, and the competition for custom amongst business people was so great that the question of security was almost lost sight of. The banks also freely advanced