

1904.  
NEW ZEALAND.

## LANDS COMMITTEE:

REPORT ON THE PETITIONS OF J. F. EUSTACE AND 201 OTHERS, No. 737, AND T. MCKENZIE AND 42 OTHERS, No. 738; TOGETHER WITH PETITIONS AND REPORT OF THE PUBLIC TRUSTEE THEREON.

(MR. A. W. HOGG, CHAIRMAN.)

*Report brought up 13th October, and ordered to be printed.*

### ORDER OF REFERENCE.

THURSDAY, THE 20TH DAY OF JUNE, 1904.

*Ordered,* "That Standing Order No. 218 be suspended, and that a Committee, consisting of eighteen members, be appointed to consider all Bills and petitions that may be introduced into this House affecting the lands of the Crown, and to report generally upon the principles and provisions which they contain: the Committee to have power to call for persons, papers, and records; five to be a quorum: the Committee to consist of Mr. Bennet, Mr. Buchanan, Mr. Ell, Mr. Flatman, Mr. Graham, Mr. Hall, Mr. Harding, Mr. Hogg, Mr. Jennings, Mr. Lang, Mr. Laurensen, Mr. Lawry, Mr. R. McKenzie, Mr. J. W. Thomson, Mr. Vile, Mr. Witty, Mr. Wood, and the mover.—(Hon. Mr. DUNCAN.)"

### REPORT.

I am directed to report that the Committee has no recommendation to make.

13th October, 1904.

A. W. HOGG,  
Chairman.

### PETITIONS.

No. 737, Petition of J. F. EUSTACE and 201 Others (presented by Mr. Major); and No. 738, Petition of T. MCKENZIE and 42 Others (presented by Mr. Jennings).

The Honourable the Speaker and members of the House of Representatives in Parliament assembled.

THE humble petition of the undersigned tenants of the Public Trustee under "The West Coast Settlements Reserves Act, 1892," and amendments thereof, sheweth:—

1. That your petitioners, being tenants of the Public Trustee under "The West Coast Settlements Reserves Act, 1892," and amendments thereof, humbly pray that that Act be further amended so as to provide for the option of the purchase of the freehold of their holdings. Such option can be given without doing any injustice to the Native owners, or depriving them of any rights, as (a) the lands leased are Native lands only in name—a sufficiency of land for each hapu has been permanently reserved for the use of the Natives; (b) the leases are perpetually renewable, and therefore the lands leased can never again come into the possession of the Native owners; (c) the Native owners have no actual will or say in the administration of these lands, as the fee-simple is vested in the Public Trustee, who has sole and absolute control, and administers the estate without reference to them; (d) that the Natives' only interest in the land is the receipt of the rents (less sundry deductions) from the Public Trustee; (e) that if the option of purchase were given to the tenants, the same revenue, with less deductions, could be secured to the Natives for all time. The rent is at present 5 per cent. on the capital value of the unimproved holding, and the right of purchase should be at such an increased sum (say 20 per cent.) so as to insure a return in interest equal to the rent previously paid. The purchase-money should be paid to the Public Trustee, invested by him, and the interest therefrom paid to the Natives.

2. That under the present tenure your petitioners suffer great disadvantages, hardships, loss, and certain injustice, as much of the district when these lands were leased was unsettled and unroaded; the lands were almost entirely waste lands, being bush, swamp, &c., requiring many years of labour and much outlay of capital before they became in the least reproductive, and there-

fore the rents, which in many cases were high, were only given on the prospective value. But though the improvements are supposed to be secured to the tenants, not one-tenth will be, and on revaluation the nine-tenths will go to swell the value on which the rent is assessed, as the "improvements" in sight are a mere trifle of the actual improvements resulting from years of labour and the expenditure of capital (probably equalling three or four times the original value of the land) necessary to convert the bush and swamp wilderness into meadow land; from roading by means of rates and special loans, all paid by the tenant, no subsidy being received as in the case of Crown lands; from the building of factories, &c., all of which directly raise the value, and all of which were necessary before the land gave any return; and then years were required to recoup lessees for rents, rates, interest, &c., paid during years of unproductiveness. A grave injustice is suffered, as, though the improvements are the property of the tenant, the Public Trustee compels tenants to insure all buildings in his (the Public Trustee's) name, and only in an office approved by him.

3. That leasehold, especially Native, without the right of purchase, has many drawbacks, and is against the interest of the occupier, the district, and the country. It is difficult and costly to raise money on, especially so with the insurance clause. It is insecure, hampered with restrictions and conditions, and altogether inimical to prosperous and permanent settlement.

4. That your petitioners submit that with the right of purchase they would be in a much better position to make financial arrangements; that with the security of a freehold tenure they would be much more likely to be permanent settlers, to make more substantial improvements, to plant for shelter and timber purposes, and otherwise improve their holdings to the benefit of the country generally.

5. That with a freehold, and consequently permanent substantial homes and improved surroundings, their families would, instead of drifting into the towns, remain on the land.

And your petitioners, as in duty bound, will ever pray.

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## REPORT OF PUBLIC TRUSTEE.

The Clerk, Lands Committee,  
House of Representatives, Wellington.

Wellington, 7th October, 1904.

SIR,—

I forward herewith files relating to the West Coast Settlement Reserves, which may be of use to your Committee in dealing with the petitions by lessees of these reserves who desire to obtain the freehold thereof.

Regarding the statements in the petitions I would remark:—

1. The request that the tenants be allowed to purchase at a price 20 per cent. above the value fixed when the leases were granted is an absurd one. Most of these leases were granted before the recent advance in Taranaki land values, and 20 per cent. increase on the then value by no means represents the present capital value of these leasehold areas. Here are two examples:—

(a.) Lessee T. A. Watts, 100 acres, Section 38, Block X., Ngaere Survey District. Annual rental, £16 12s. 6d. This represents a capital value of £322 10s. Add 20 per cent. or £66 10s. Total, £399.

Present Government value, £2,480. Improvements, £655. Unimproved, £1,825.

The petitioners therefore propose to take from the Native owners in this case property worth £1,825 and give them for it £399.

(b.) Lessee W. R. McLean, 443 acres, Sections 42 and 43, Block XV., Kaupokonui. Rental, £50 15s. per annum. This, capitalised at 5 per cent., represents £1,015. Add 20 per cent., £203. Total to be obtained under the proposal of petitioners, £1,218.

Present Government value, £6,283, being improvements, £1,630; unimproved value, £4,653.

The petitioner's modest proposal is to take property worth £4,653 from the owners in exchange for £1,218.

The position of the Native owners under a rental at 5 per cent. on present values would be:—

Case (a.) Rental receivable, 5 per cent. on £1,825 = £91 5s. per annum.

Case (b.) Rental receivable, 5 per cent. on £4,653 = £232 13s. per annum.

The petitioners, therefore, would give the Natives in Case (a) a sum of money that at 4 per cent. would bring them in an income of about £16 per annum instead of £90 per annum, the present annual value of their land; and in Case (b) the sum to be paid would give an income of £60 18s. per annum instead of £232 13s., which is the present annual value of their interests. There are hundreds of other leases in the same position. To do as petitioners ask would be to inflict a grave wrong on the Natives interested.

2. The "great disadvantages, hardships, loss, and certain injustice" that the petitioners are exercised about, as set forth in paragraph 2 of their petition, are largely anticipations of coming evils that do not now, and never will, exist. The wild statements that "though the improvements are supposed to be secured to the tenants, not one-tenth will be, and on revaluation the nine-tenths will go to swell the value on which the rent is assessed," is an opinion merely, founded on false premises.

The tenant, under the provisions of his lease, has an equal voice with the Public Trustee in fixing the value of improvements, and such rash statements are altogether premature. The

experience of the Public Trustee in dealing with perpetual leases in Greymouth, Nelson, and elsewhere is that the arbitrators never oppress the tenant, but, if anything, favour him, and there is no reason to doubt that the same thing will occur in Taranaki when a revaluation of the petitioners' leases takes place some years hence.

The complaint that "a grave injustice is suffered, as, though the improvements are the property of the tenant, the Public Trustee compels the tenants to insure all buildings in his (the Public Trustee's) name, and only in an office approved by him," is an imaginary one. The insurance is the same as in leases under the Land Transfer Act, in the joint names of the lessor and lessee. The lessee can insure with whatever company he chooses, no restriction being put upon him by the Public Trustee in favour of any particular company.

3. The drawbacks of the leases mentioned in paragraph 3 are those incident to all leaseholds. Leases granted under the West Coast Settlement Acts are very simple, and without onerous restrictions. As leaseholds they are readily mortgageable. The Advances to Settlers Office, banks, and private lenders have advanced moneys (in some cases large sums) on them. The Public Trustee consents to all mortgages that are to be registered, and knows that a great many of the leases are every year given as security for advances.

The Public Trustee, in cases where the Advances to Settlers Office has advanced moneys on leaseholds, has handed the policies of insurance to that department, and, in order to help a tenant to raise money, would do the same with any bank or reliable private person.

The statement that the leaseholds are "altogether inimical to prosperous and permanent settlement" is shown to be incorrect by the prosperous condition of those portions of Taranaki where these leases are the only form of tenure.

4. The Public Trustee, on behalf of the Natives interested, would point out that, apart from the injustice that would be done, to grant the prayer of these petitions would be to grossly violate the most solemn pledges given to the Native owners that these lands would be theirs and their children's for ever.

Such promises should be sacredly kept, and the present tenure should not be altered, unless with the consent of the majority of Natives interested in the reserves. I return petitions herewith.

I am, &c.,  
J. W. POYNTON,  
Public Trustee.

*Approximate Cost of Paper.*—Preparation, not given printing (1,425 copies) £1 10s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1904.

