

8. With regard to the assessment of land-tax, I am of opinion that the present method of assessment does inflict an injury on the Natives interested in West Coast Settlement Reserves.

In support of this opinion, I beg to direct Your Excellency's attention to the evidence given by the Public Trustee before the Native Affairs Committee of the House of Representatives, which has been laid before this Commission. He is reported to have said, "The Natives have a legitimate grievance in respect of the land-tax. It applies to Europeans and Natives alike where lands are held in trust for several owners; but as there are few estates of large size held in trust for a great many Europeans, the land-tax falls heavily on Natives where a large grant is held in trust for many owners. In such cases the amount of land-tax paid by each Native is out of all proportion to his small income or interest in the reserve. This should be altered in fairness to the Natives, especially if the lands are in the future to pay full local rates." (Parl. Paper, 1904, I.—3A, p. 14.)

I have therefore the honour to recommend that the Legislature be requested to make the necessary provision to relieve Natives from payment of land-tax where their individual interests in reserves are of less value than the exemption allowed by the Land and Income Assessment Acts.

Given under my hand and seal, at Wellington, this eighth day of September, one thousand nine hundred and six.

H. G. SETH-SMITH.

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