

into the Native-land problem are weighed—is the encouragement and training of the Maoris to become industrious settlers. In dealing with the lands now remaining to the Maori people, we are of opinion that the settlement of the Maoris should be the first consideration.”

It may be difficult for the Legislature to express in the connected provisions of a statute its indorsement of such a policy, but we are assured that it can be done effectively if the Legislature is willing to adopt it.

4. *Taxation, General and Local.*

At many meetings of the Commission complaints were made to us of the taxation imposed on Maori lands.

So far as the land-tax is concerned, the Native owners said that, though only half the tax was imposed (and that only on Native land leased), no exception was given to them, and that in most of the blocks the individual interest did not exceed in value £500 each. There were, for example, blocks leased where the number of owners was from fifty to one hundred and fifty, and none of the owners owned interests that were worth £500. In some instances the land-tax absorbed more than half the rent of the land leased. Subsection (a) of section 46 of “The Land and Income Assessment Act, 1908,” which is the same provision as was in section 36 of “The Land and Income Assessment Act, 1900,” states, “Such land shall be liable to one-half of the ordinary land-tax (but not to the graduated land-tax) in respect of the Maori owners’ interest therein.”

This subsection has been interpreted by the Department to mean the joint interest, not the individual interest, though the provisions of section 39 (section 38 of the Act of 1900) do not explicitly apply to Maori land; and it has also been interpreted by the Department to mean the total value of the land less the value of the lessee’s interest. It appears to us, if the interest of each individual Maori were assessed, and the usual exemptions allowed, most of the Maori land under lease would not be liable at law to land-tax. The concession of one-half would seem to be no concession at all. It is a mistake to suppose that the present law gives the Maori any advantage over his European neighbour so far as lands under lease are concerned. And it should be remembered that more than one-half of the Native lands are now under lease.

In this connection we wish to direct Your Excellency’s attention to the following extract from the report of Judge H. G. Seth-Smith, President of the Native Appellate Court, sitting as a Royal Commissioner on complaints against the Public Trustee in connection with the administration of the West Coast Settlement Reserves (see G.—2, Session II, 1906):—

“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 the 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.’ (Parliamentary 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.”

The local-rating law as at present administered does not seem to us to be unfair except in rare cases. The effective settlement of Native lands by either Europeans or Maoris must advance *pari passu* with the progress and completion of the titles. The Maoris are realising more and more that they must come under the general