

1909.
NEW ZEALAND.

NATIVE AFFAIRS COMMITTEE:

No. 220/1909. PETITION OF FELIX CAMPBELL AND 476 OTHERS, *RE* GREY NATIVE LEASES TOGETHER WITH MINUTES OF PROCEEDINGS AND EVIDENCE.

(MR. JENNINGS, CHAIRMAN.)

Brought up 15th December, 1909, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

FRIDAY, THE 8TH DAY OF OCTOBER, 1909.

Ordered, "That a Native Affairs Committee be appointed, consisting of ten members, to consider all petitions, reports, returns, and other documents relating to affairs specially affecting the Native race that may be brought before the House this session, and from time to time to report thereon to the House; with power to call for persons and papers; three to be a quorum: the Committee to consist of Mr. Te Rangihoroa (Dr. Buck), Mr. Greenslade, Mr. Herries, Mr. Jennings, Mr. Kaihau, Mr. Mander, Hon. Mr. Ngata, Mr. Parata, Mr. Rhodes, and the mover."—(Hon. Mr. CARROLL.)

PETITION.

To the Honourable the Speaker and Members of the House of Representatives of New Zealand, now assembled.

THE humble petition of the undersigned lessees, sublessees, tenants, and residents of the Native portion of the Town of Greymouth sheweth,—

1. That the lessees of Native reserves numbered 31 and 32, Greymouth, labour under serious disabilities in having to pay heavy ground-rents, with periodical revaluations every twenty-one years, to the Native owners for the sections of land comprising the Maori Reserve in the Town of Greymouth.

2. That the reserve numbered 31 contains 600 acres, about 400 acres of which is closely built upon, and comprises the business portion of the town. Europeans settled upon this land forty-five years ago, and at that time the said reserve was worth at the outside £300. Since then the Borough Council has expended £18,719 in improving this portion of the municipality by constructing streets, footpaths, drainage-works, and gas and water supply, and maintenance of the same, and the Harbour Board has constructed the harbour wharves at a cost to date of £670,000, to the betterment of the Native property.

3. That the unimproved value of the Native Reserve is now about £110,000, and the Natives draw about £3,000 per year rents. The Natives themselves have not spent one shilling in the development of their estate. They have not, as a European would by law be compelled to do, laid out and made any roads, footpaths, drainage, or other works; neither have they given any land for public purposes or health resorts.

4. That the title under which the lessees hold is a twenty-one-years lease with right of renewal on readjustment of the rent, which rent in the event of disagreement is settled by arbitration, the whole cost of which must be borne by the lessee.

5. That the Public Trustee, who acts as trustee for the Native owners, has now commenced to revalue the land as the leases fall in, and assess the rental at 5 per cent. on the unimproved or rating value, so that every twenty-one years the Maoris will be paid more than the actual value of their land, which will press very heavily on the lessees.

6. That it was never anticipated, when the reserve was settled, that the unimproved values should be increased as they have been, and that the Natives should be exempt from any liability in respect of cost of upkeep and rates.

7. That the Natives should be placed on the same footing as Europeans as regards laying out, formation, and metalling roads, footpaths, bridges, and drainage-works before dealing with their lands.

8. That, owing to the very unsatisfactory title under which the lessees of these reserves are leased, the town is in a very unsettled state, as there is no encouragement to build expensive and substantial buildings and make other improvements.

9. That we wish to acquire the freehold for our sections, and propose that steps should be taken to buy out the Native owners at a fair valuation.

Your petitioners therefore humbly pray that your honourable House will take into its favourable consideration the facts and matters alleged in the foregoing petition, and will afford to your petitioners such relief in the premises as to your honourable House shall seem meet. And your petitioners, as in duty bound, will ever pray.

FELIX CAMPBELL
[and 476 others].

MINUTES OF PROCEEDINGS.

* * * * *

THURSDAY, 4TH NOVEMBER, 1909.

No. 220/09. FELIX CAMPBELL and Others.

Mr. Lord, Town Clerk of Greymouth, attended and gave evidence.

Mr. T. E. Coates attended and gave evidence.

FRIDAY, 5TH NOVEMBER, 1909.

Messrs. Martin Kennedy and Felix Campbell attended and gave evidence.

WEDNESDAY, 10TH NOVEMBER, 1909.

Mr. J. W. Poynton (Public Trustee) submitted a written statement on the case, which was read by the Clerk, and also gave evidence.

Messrs. T. W. Beare (solicitor, of Hokitika), Piripi Tauwhare, John Tainui (chief of the Arahura Tribe), J. H. W. Uru, and — Mason attended and gave evidence.

On the motion of the Chairman it was resolved, That the evidence be printed, and that further consideration of the petition be postponed.

TUESDAY, 30TH NOVEMBER, 1909.

The Hon. Mr. Guinness attended, and addressed the Committee in support of the petition and in answer to the Public Trustee.

Consideration of the petition was adjourned until to-morrow.

WEDNESDAY, 1ST DECEMBER, 1909.

Mr. Herries moved, That this petition be referred to the Government, with a recommendation that the Government purchase the reserve if the Native owners are willing to sell, and that the land so purchased be offered on the freehold system to the present occupiers.

Amendment proposed, That consideration of this petition be postponed until to-morrow. (*Hon. Mr. Carroll.*)

And, on the question being put on the amendment, the Committee divided, and the names were taken down as follow:—

Ayes, 4.—Hon. Mr. Carroll, Hon. Mr. Ngata, Mr. Parata, Dr. Te Rangihiroa.

Noes, 5.—Mr. Greenslade, Mr. Herries, Mr. Mander, Mr. Rhodes, and the Chairman's casting-vote.

So it passed in the negative.

Another amendment proposed, To strike out all the words after the word "Government," with a view of inserting the words "for favourable consideration." (*Hon. Mr. Carroll.*)

And, on the question being put on the further amendment, the Committee divided, and the names were taken down as follow:—

Ayes, 4.—Hon. Mr. Carroll, Hon. Mr. Ngata, Mr. Parata, Dr. Te Rangihiroa

Noes, 5.—Mr. Greenslade, Mr. Herries, Mr. Mander, Mr. Rhodes, and the Chairman's casting-vote.

So it passed in the negative.

And, on the question being put on the original motion, the Committee divided, and the names were taken down as follow:—

Ayes, 5.—Mr. Greenslade, Mr. Herries, Mr. Mander, Mr. Rhodes, and the Chairman's casting-vote.

Noes, 4.—Hon. Mr. Carroll, Hon. Mr. Ngata, Mr. Parata, Dr. Te Rangihiroa.

So it was resolved in the affirmative.

MINUTES OF EVIDENCE.

THURSDAY, 4TH NOVEMBER, 1909.

EDWARD IVEAGH LORD examined. (No. 1.)

1. *Hon. Mr. Guinness.*] You were District Surveyor for Westland for many years?—Yes; for ten years from 1875 to 1885. But I left the Government service at the latter date.

2. You have been Town Clerk for how many years?—Since 1891, and Borough Engineer since 1886.

3. You have therefore a personal knowledge of the facts stated in your memoranda?—I took them all from the books of the Council.

4. *Mr. Poynton.*] Can you state that the figures given by you are all correct?—The figures supplied by me are not exaggerated.

5. *Hon. Mr. Guinness.*] In paragraph 2 it is stated that 600 acres were let: is not that a printer's error?—Yes; it is a printer's error: it should be 500 acres.

6. What do you say with regard to the 200 acres of reserve not yet occupied?—The Borough Council are getting about £11 a year for it in rates.

7. *Hon. Mr. Carroll.*] What is the size of the borough?—Two thousand acres.

8. With regard to the sum stated in paragraph 2 of the petition, amounting to £87,719, do you mean to say that the whole of that money was spent on the 500 acres?—Yes, the amount was spent on the 500 acres.

9. I heard a list read out showing the average rental paid for the last twenty-five years: is that list correct?—To the best of my knowledge the sums stated are correct.

10. *Hon. Mr. Ngata.*] Was it correct for the last year?—Yes.

11. That, in the face of the statement in the petition that the ground-rent was excessive, was the ground upon which the whole claim was based. Where do you show the expansion on ground-rents on the figures which have been put forward on behalf of the petitioners?—I am not aware of the amount received on the first year mentioned—that is, 1879; but the people of Greymouth think the rentals are excessive. I do not think the 5-per-cent. basis is excessive.

Hon. Mr. Ngata: It is lower this year than since 1899.

Hon. Mr. Guinness: I can explain that to the Committee later on.

The Chairman: The evidence on this point had better be given by direct evidence.

12. *Hon. Mr. Carroll.*] Many of the lessees have sublet portions of the ground they leased, have they not? A good deal of subletting is going on. Are there any instances in which they have sublet at an advanced rate or a reduced rate?—There are instances in which they have sublet at an advanced rate.

13. *Mr. Rhodes.*] Amongst how many Natives are the rentals divided?—Sixty-six.

14. Are they resident in Westland?—Some are resident on the east coast.

15. *Hon. Mr. Ngata.*] On what basis is the property taxed for land purposes?—I suppose the Maoris pay their share of the land taxes on the Native reserves.

16. You mentioned that the borough would like to have the site of the Town Hall at a nominal valuation?—I consider the expenditure of borough moneys has been of great benefit to the Natives.

17. You have been asking the Public Trustee to make a gift of the Town Hall site to the borough?—Not as a gift, but at a nominal valuation. We are only paying £1 1s. per year for the Town Hall site. That goes on until 1916.

18. How long has the borough had that from the Public Trustee?—Four or five years.

19. That is, for public purposes?—Yes.

20. Now, as regards the assistance from the Natives for schools, churches, &c., was this assistance to be given at the decreased rental?—I cannot say. For the Wesleyan church the rental was £1 7s. per year. At the 5-per-cent. basis the Wesleyan church would be worth a considerable sum.

21. On the statement that was read to the Committee from the Public Trustee that, prior to the revaluation which was now going on, the ground-rent was £3 15s. per cent., how is it proposed to meet this matter? Is it intended to do so by arbitration? What is the system favoured by the tenants?—I think there is some dissatisfaction about the fees having to be paid by the lessees. Our member has introduced a Bill that will do away with that objection.

22. Who appointed the arbitrators?—They are appointed one by either side.

23. Has the arbitrator been a local man?—He has been. I have been an assessor myself.

24. Apart from the question of fees, is it considered fair to submit the matter to arbitration?—I do not see any juster way than arbitration.

25. As regards the proposal to obtain the freehold, is the option to be given to each individual freeholder to obtain the freehold of his own section?—I believe that is the expectation.

26. *Mr. Greenslade.*] Do you think the lessees would suffer disabilities under the 5-per-cent. basis?—I think they would. I think they would suffer to a certain extent if the 5 per cent. were imposed in connection with the lease in perpetuity.

27. How do you suppose or propose that this land should be taken? Under what Act?—I do not know.

28. *Hon. Mr. Carroll.*] There is a Bill before the House now: would that meet the trouble at all?—The people of Greymouth will never be satisfied until the freehold is vested in the borough.

29. *Hon. Mr. Ngata.*] No proposal has ever come from the borough itself?—It has been talked

about. A resolution has been passed in the matter supporting the Lessees Committee in their endeavour to acquire the freehold.

Hon. Mr. Ngata: That does not commit the borough to anything as a borough. They wanted to get the freehold themselves from the Public Trustee.

30. *Mr. Poynton.*] Do you think 5 per cent. is fair?—I think 5 per cent. is an aggressive rental, but if it is carried on in perpetuity, 4 per cent. would be fairer. As regards the 5 per cent., I think the lessees would get better terms from a private individual.

THOMAS ELDON COATES examined. (No. 2.)

Witness: Before giving any evidence I should like to say that we are desirous of acknowledging the services Mr. Poynton has rendered us in furnishing returns, &c. The position in Greymouth is this: Rents as at the present moment are not objected to by any one there, but what they say is that they are going to be excessive, and that immediately.

Hon. Mr. Ngata: They do not say that in their petition.

Witness: The position in the past has been that two assessors were appointed. They arrived at what they considered a fair rent. In doing this they brought their local knowledge to bear in the matter. They were living in the town, and they knew the circumstances, and were in a position to know what a man could afford to pay. We have had very little to complain of. But we know the Public Trustee is now in favour of the unimproved valuation as laid down by statute. It is intended to give the Natives the full benefit of the unearned increment, and we regard that as being very unfair. Every member of the Borough Council is a member of the committee which is getting up this agitation. As a Council we have passed a resolution indorsing the action of this committee.

Dr. Te Rangihiroa: Has the Council passed a resolution that the committee should endeavour to obtain the rents on the reduced scale?

Witness: They left them to make the best bargain they could.

The Chairman: Are you a lessee?

Witness: Yes; I am a lessee. I might mention my own case. I have a house in Greymouth standing on half an acre of ground, and I pay £8 a year rent. We have held the land for thirty years. That land, if I put it in the market to-day, would bring probably, £200; but I could not say it would be fair to pay £10 per year rent, as we have held it for thirty years, and the rent mentioned has been paid during a period when it was of considerably less value than it is at present. We have derived absolutely no benefit from it, and I think it most unfair that I should be taxed for my own enterprise.

1. *Hon. Mr. Carroll.*] You say the Maoris are not entitled to the unearned increment?—I think men should labour for what they get.

2. Would you say the same in regard to every European leaseholder?—They should not be allowed to drag the whole of the benefit out of the leaseholder.

3. Would you put the Maoris on the same footing as the Europeans?—Yes, I would.

4. Well, that Act should be brought in first?—The unfortunate thing is that encouragement will be given under the present circumstances to create a town of slums. I should probably be in the position under the Act that I should have to build two or three little cottages or sell it at a profit; but I do not want to do that. We have a "brick area" in Greymouth, and the Council is now considering the advisability of doing away with it. We feel that it is not fair to insist on people putting buildings up in brick. They should not be taxed for their own enterprise.

5. *Mr. Parata.*] Why should they put up buildings in brick when timber is so cheap? Would they not get more compensation for building stone houses? Was that not the reason they did not build in timber?—I do not think that is the reason. The "brick area" compels it. We have running through Greymouth a tidal creek upon which the Council has spent £3,000 making it into a drain. We had to buy it, and it has been valued at £90 by the assessor appointed by the Public Trustee. That is hard.

6. *Hon. Mr. Carroll.*] In any case you would have the benefit of compensation?—I think we should not. Then, as regards the question of survey: At present, if any one wants to subdivide his ground he has to get a survey at a cost of £5 5s. or upwards, and, when the original lease falls in, the Public Trustee uses that survey for the new leases. It is felt that these surveys, or, at least, a portion of them, should be borne by the Public Trustee, as the rentals were being increased.

7. That was a fair business matter between the Public Trustee and themselves?—As regards the question of valuation, the Public Trustee referred to values, but it is only fair to remember that in the case of property at Greymouth they had instances where a few years ago property now let at £4 a year with two houses on it was sold for £10. There is an instance of property a few days ago that brought £2,000, but the section was sold with a building on it worth £1,800 or £1,900. There was another property in the business portion of the town which was sold five or six years ago for £250 the improvements on which were worth at least £1,800. It is not fair to take isolated cases, but I know a property that was given away seven or eight years ago for £25—a section fronting Alexandra Street with a five-roomed house on it; also 5 acres of ground that was sold for £75, the rent being £5 per year. All this was Native property. I am only referring to the Native portion of the town.

8. *Mr. Rhodes.*] You are speaking of the goodwill in such cases?—Yes; a twenty-one-years lease. I think the Committee might also take into consideration the fairness of giving land for municipal purposes. As regards the proposal of acquiring the freehold, our idea is that the borough should buy the freehold. It would pay whatever sum the Natives decided to sell it at, and then the borough would deal with the lessees. It would give the individual lessees their land at

the present rental for all time. We have the sympathy of every freeholder in Greymouth. The idea is that the borough should buy, and become trustees for the lessees. The aim is that the lessees should get the full benefit of their industry and enterprise.

9. *The Chairman.*] Have they had public meetings in connection with this matter—well-attended meetings?—Yes; we have had representative meetings.

10. Have you had representative meetings that were unanimous? It was pointed out that the feeling was, in Greymouth, that the lessees should be given any benefit attaching to the land?—The Maoris have got the benefit.

11. Do the Maoris pay any rates for any properties in the borough?—No, they do not. £76,541 was spent in forming streets and making other improvements to the town.

12. *Hon. Mr. Carroll.*] You may know that in 1881 there was a serious depreciation of property in Greymouth, and reductions in rent were made up to 25 per cent., and, as regards the rents to-day, they stand at £3,000, which is less than they were in 1887. Well, that covers a good period of time, does it not?—That is so.

13. But you say that the borough should take over the land as trustees for the tenants. Would that not be an extraordinary arrangement?—We are in a most extraordinary position now.

14. If the borough took it at all, in any legislation that body would take the place of the trustees. Well, supposing that was an acceptable position, would you say it was right that the tenants and the borough should be allowed to sublet areas that they were tenants on? What obtains at present is that many of the tenants subdivide, and let their lands at a profit?—A man comes to you and offers a price. His first question is, what are you going to apportion your rent at? Really it is not a matter of letting at a profit.

15. There has been a good deal of subletting?—Yes; the land is getting cut up.

16. At the present time the tenants have nothing to complain of. In fact, they make a little?—People who left the town twenty years ago are better off than those who held on.

17. Well, to anticipate: If the borough bought the freehold, the borough should be the absolute owner?—The lessees form a very material part of the borough.

18. *Mr. Rhodes.*] And they could fix their own rent. With regard to the 5 acres spoken of as having been sold for £75, was that at the end of the twenty-five-years term?—I think there were five or six years to run. The land in question was cleared and in grass.

19. *Hon. Mr. Ngata.*] Would the borough be prepared to put detailed proposals before the Committee in forty-eight hours?—Well, the borough would be prepared to do so in a reasonable time.

20. There is no suggestion that the land should be taken without the sanction of the Native beneficiaries?—They seem reluctant about parting with the freehold.

21. If the Public Trustee realised, would not the Natives still have Arahura?—Well, if they had money they could get land elsewhere.

22. Suppose they were opposed to giving up the land, what would be the position then?—Well, the same treatment should be given to both races.

23. Whether the Natives consent or not, you want to get the freehold?—Yes, at a fair price.

24. What do you mean by that?—At a fair market value—at a price that would bring in at $4\frac{1}{2}$ per cent. not less than the present rents amount to.

25. What about the present unimproved value?—We are prepared to take over the Native Reserve.

26. *Hon. Mr. Carroll.*] As regards the question of value, supposing it had reached the stage that allowed of the machinery of the Public Works Act being put in motion, would you be satisfied with any award made by that tribunal?—Personally, I cannot say what the Council would do in the matter.

27. It would be sufficient for the purpose if you can say that the Natives would get fair compensation?—We got on very well with the Public Trustee, but we see rocks ahead. We have been waiting now for thirty years to see Greymouth come to something.

28. *Hon. Mr. Ngata.*] You have no objection to the Natives being the owners of the property?—No; we entertain no objection on that point.

29. *Dr. Te Rangihiroa.*] If the land belonged to the Borough Council, do you think 5 per cent. would be fair on the unimproved value? Do you think it would be an excessive rent?—I think $2\frac{1}{2}$ per cent. would be a reasonable return.

30. Well, you think then that £3 15s. per cent. is excessive under the circumstances?—Well, I think so.

31. *Hon. Mr. Carroll.*] The suggestion is that a general move should be made by the corporate body in Greymouth? What do you say?—We could have a resolution from the Borough Council placed before this Committee in three weeks.

Hon. Mr. Guinness: We could get it by wire by Wednesday next. I can guarantee that.

32. *The Chairman.*] Have any overtures been made to the Maoris by meeting?—We have talked it over with a few of them.

33. *Dr. Te Rangihiroa.*] After you had agitated to bring the matter before Parliament?—Yes.

34. *The Chairman.*] What is the general feeling among the Natives?—They seemed disinclined to part with the freehold.

35. *Mr. Greenslade.*] Supposing you got longer leases, would that satisfy you?—I am afraid it would not. There is a very bitter feeling in Greymouth on the matter.

36. *Mr. Poynton.*] Is it not a fact that you have recently sold a piece of your leasehold for £100?—Yes, that is correct; but the apportioned ground-rent is only £1 per year.

FRIDAY, 5TH NOVEMBER, 1909.

MARTIN KENNEDY examined. (No. 3.)

1. *The Chairman.*] Where do you reside?—In Wellington, and I have been residing here for the past twenty years.

2. Do you appear in favour of this petition from Greymouth?—Yes. I previously resided in Greymouth for a period of twenty-four years.

3. Have you read the petition?—No, I have not.

4. *Hon. Mr. Guinness.*] The petitioners ask that the present Native Reserve be converted from leasehold into freehold, and the Committee desire any evidence you may be able to give in support of such application?—I am of opinion that it could be done to the mutual advantage of both races—that is, to the tenants and to the Native owners.

5. *Hon. Mr. Carroll.*] On the terms they ask for in the petition?—I do not know what the terms are.

6. *Hon. Mr. Guinness.*] Capital value £110,000?—I should say, the usual mode of valuation. I do not know what is in the petition, but what I wish to say is that in Greymouth fifteen years ago property was of considerably less value than it is to-day, and a similar condition of affairs might arise again. Consequently, if the rents were capitalised now and the money invested for the benefit of the Native owners, I can imagine it would be to their advantage, and, as one who lived there for twenty-four years, being one of the largest tenants of the Trust myself, I can realise the inducement it would be to the present occupiers to improve their property. In any case it would not be a hindrance to them. There are many persons who are holding back and would be still further held back from improving their property so long as it is leasehold, no matter whether it is Native or otherwise.

7. *The Chairman.*] Did you ever hold one of those leases?—Yes, I had some four or five acres of it.

8. And do you still hold it?—No, I have no interest in it now.

9. Did you find any inconvenience in regard to your business by holding the lease?—No, I did not find any inconvenience. The period had not arrived for us to put up what you would call durable buildings; but I understand that time has now arrived.

10. Have you any further statement to make?—Of course, if you desire evidence as to the condition the Reserve was in in the years 1865 and 1886, I can supply it.

11. As a matter of fact, in 1874—that is going back a good deal—there was a greater annual rent collected—namely, £3,697—than last year, when the amount collected was only £3,264?—The modes of collecting the rents may not coincide. There might possibly be a difference between what is collected and what accrues. The current rent for the year may be different from what is collected, but over a series of years it may be right.

12. *Hon. Mr. Guinness.*] Do you know that at a certain time, when the goldfields were flourishing, the rents were put up much higher than they were some years afterwards, when there was great depression and people were getting rid of their leases, and consequently the ground-rents were reduced? Do you remember those periods?—I lived there myself in 1889, and things were very dull then—so much so that property which I had I sold for less than the value of the improvements on the ground; but the portions I refer to when I make that statement are the residential quarters, not the business quarter. The residential quarter was all heavy bush country during the sixties. My first arrival there was in 1865.

13. *Hon. Mr. Carroll.*] There was a settlement there then, was there not?—No, there was little or no settlement—it had just commenced. The goldfields brought the settlement. There was a little Native settlement then, but no European settlement.

14. You think it would be to the advantage of the Natives if the leasehold were converted into the freehold, and the rents capitalised and used for their benefit at the present time?—I do. Considering the future of the property I think it would be to their advantage, and also to the advantage of the settlers. I have no knowledge of the present rents and their relative values.

15. That is, in reference to the capitalisation of their rents from which they would draw, they would be assured of interest exceeding their present rents?—That they would be secure against future fluctuations.

16. With regard to the advantage to the Europeans, how do you show that—it would be subject to those fluctuations, of course?—Europeans, being business people, generally take those risks, and the advantages are such that the incentive would be to improve, and their improvements would be their own.

17. So that that describes the advantage you attach to the European side in the event of the conversion such as you suggest?—That is what occurs to my mind. There may be other commercial advantages about which I am not qualified to speak on account of not being a resident there.

FELIX CAMPBELL examined. (No. 4.)

1. *The Chairman.*] What are you?—A merchant residing at Greymouth.

2. *Hon. Mr. Guinness.*] You are also Chairman of the Harbour Board and Chairman of the Chamber of Commerce at Greymouth?—Yes.

3. You have been residing there—how long?—Since 1865.

4. And you have watched the growth and progress of the town?—Yes.

5. During that period has the town had its growth checked by depression on more than one occasion?—Speaking from memory, during that time it went through three grades of depression, and on those occasions some leases were surrendered to the Department, as the lessees would not pay the rents on them.

6. *The Chairman.*] Was there any other occasion when the leases were surrendered, that you remember?—I think those were the only occasions, that I speak of, when, owing to the depression and decrease of business, the property became valueless.

7. *Hon. Mr. Carroll.*] Are you referring to the business portions or the residential?—To the business portions.

8. *Hon. Mr. Guinness.*] Did not that also affect the residential portions, more or less?—Some of the residential portions were sold at less than what they cost to construct.

9. What is the feeling of the tenants with regard to the present leasehold system?—The feeling of the tenants at the present time is that it considerably mars the progress of the place—the present system of leasing. There are a number of tenants there, including myself, who, provided they had a better tenure, or freehold, would put up much more substantial buildings than is the case at present; but owing to the present tenure they do not feel disposed to put up substantial buildings. I see the Public Trustee has included my name in the statement before the Committee in connection with some sections I hold.

10. Have you anything to say with regard to that?—He refers to one in particular that I bought quite recently. At the time I bought it I think I was getting a rental from it of £1 5s., and some little time after I purchased I got notice from the authorities there that I should have to pull down the building, as the Public Health Officer had declared the building unhealthy. Some little time after that I complied with the request, and put up a new building on that section. At that time the ground-rental was £10, and when I bought it I was of the opinion that that rent would not be increased, as I thought the rent was ample for the ground. I put up a new building, and this year my lease falls out.

11. What has been the result?—The Public Trustee tells me in his statement that it is difficult to get the valuers on this reserve, but I think he either forgets or overlooks the fact that he has the same valuator himself, who is the sub-agent for him. The tenant has no voice in the making of the valuation. The public Trustee sends a man out to value the property, as he calls it—a servant of the Trust—and the first the tenant knows about it is when he gets notice informing him of what the valuation is. Referring to my own land, when I got the notice I went to the Department and asked the agent why the rent was doubled, it having been increased from £10 to £20. I asked him whether we could settle the matter without going to arbitration, as arbitration would cost £11 11s.; but he said, “No; I have no power to make a settlement. That is the valuation of our valuer, and we must get that rent; so, as we cannot settle it, we must go to arbitration.” At the same time I produced a document that I got from the Lands Department giving the valuation of the holder’s interest in the property at £210, while the valuer for the Trust put it at £400. I was even prepared to effect a compromise in order to secure a settlement; but that was refused, with the result that it went to arbitration, and the arbitrators fixed the rental at what I proposed myself—namely, £15.

12. *Hon. Mr. Guinness.*] And to get that done how much had you to pay?—It cost me £9 9s. for the arbitration.

13. *Hon. Mr. Carroll.*] And the arbitrators put it down at what?—Fifteen pounds. They made a compromise. What I wish you to understand is that it appeared to me that if I did not put up this building, which cost me something like £2,000, my rent would have been increased, but if I had left the old one there it would not have been increased. I built a year too soon.

14. Of course, what you have built and put upon the property belongs to you?—That would depend upon whether I take up a new lease.

15. You would get the value of it?—Who from?

16. From any one taking it?—It goes to the Natives.

17. They allow you the value of the improvements in full?—I have no redress if I do not take up a new lease. Having regard to all these facts, and being a lessee, and, I suppose, one of the largest on the Reserve, I think it is in the best interests of all concerned that this property should be converted into private property and held as freehold. Upon that opinion there is a diversity of opinion as to how the freehold should be acquired. I have given the matter some consideration, and after consulting with a number of others we came to the conclusion that the Borough Council, being a corporate body, would be the only power that could deal with it, and from these facts I have elicited we have thought it advisable to petition Parliament upon the question, as Parliament had passed the Bill that we are now labouring under. In reference to arbitration, I might mention that I have told Mr. Poynton, the Public Trustee, that there were eight leases valued at about the same time. I could cite one case to you of a poor woman who had a small piece of ground, and she went to arbitration the same as the rest. This woman got a reduction of 14s. upon her rental, but it cost her £9 9s. to get it. Of course, it has been urged in many ways that we are going to take advantage of the Maoris in this matter; but I think I voice the opinion of every one on the Reserve when I say that there is no man on the Reserve who wishes to take advantage of the Maoris, but, on the other hand, they wish to give the Maoris every facility and give them the best value for their property; but there is a strong desire on the part of the people that it should become freehold, and that the tenants should become the owners of the settlement.

18. *Hon. Mr. Guinness.*] Do you think that holding the land in a township on a freehold tenure tends to increase the value, and to encourage the owners to improve, more than if they hold it under leasehold?—There is not doubt about it. Probably you may not be aware that these sections in this township are very small, not being large enough to carry a building fit for any business. There are sections in the principal part of the town which are 33 ft. by 66 ft.

19. And there are plenty smaller than that?—They may be subdivided, but that I mention is the principal size.

20. I know two in the principal street which have only a frontage of 22 ft. and 23 ft. to the main street. What do you infer from that?—The price we are paying for the ground, to my

mind, is far and away in excess of the rent we should be paying for the ground we occupy. I might also remark that the Town of Westport, our neighbouring town, occupies a somewhat similar position, the half of that town being built upon a coal reserve. The rent for a first lease is £5 a section.

21. For how many years?—For seven or twenty-one. The second term is £7 10s., and the third term £10, but in no case can the rent go over £10.

22. *The Chairman.*] Are those goldfield leases?—No, coal reserve. The Greymouth Borough Council has also reserves let to lessees for which they are only getting £2 a section, and in some cases £1 for a quarter-acre section, and they never think of increasing the rental. We have reviewed these facts, and we think we are to some extent entitled to some measure of justice in regard to our troubles. I will now say a few words in reference to the mode or principle that we would prefer to adopt in order to obtain this freehold. It was said yesterday that the Borough Council has not identified itself with the purchase, but certainly the Borough Council has only to be governed by the voice of the people, and the people are the Council, and the Council, so far as I know, has agreed to everything that the deputation has recommended. So far I think I am justified in saying that, being a corporate body, the Council could deal with this question in a satisfactory manner. I am prepared to give my word to-day that the raising of the money is not going to stand in the way at all. If a principle is laid down on moderate lines, the money could be raised, and I am sure it would be a benefit to the Natives and enhance the value of the property.

23. Are the people of Greymouth practically unanimous on this question?—I have heard no dissenting voices.

24. Do you think a meeting could be got up to protest against it?—I do not think so.

25. Were the meetings that were held in connection with this petition public meetings?—Yes —so much so that the number of signatures to the petition quite justify me in saying it was unanimous.

26. Was opportunity for reasonable objections on the part of any persons given if they were so desirous of protesting?—Yes. I might mention to the Committee that the principle laid down in other parts of the world in regard to this land question, which is a very vexed one, where the term giving the right of the freehold of the estate varies from twenty to twenty-three years, works very well, and I think probably some idea of that kind may be brought to bear here.

27. *Hon. Mr. Carroll.*] Your opinion is therefore that the freehold is the better tenure for the tenants?—Yes.

28. Consequently you would take the freehold from the present owners, and not give it directly to the tenants but to the corporate body—the borough?—No, that would not be the intention. The intention would be this: that the Council, being a corporate body, would become the first purchaser, and raise the money, and they would pass over to each of the lessees their present holding on their paying what it cost the Council.

29. Practically it amounts to this: that you want the transfer of the freehold from the present owners to the tenants, and to use the Council as a machine?—Using the Council as a medium or go-between. I merely refer to that, as the Council would be the first party to raise the money.

30. Of course, at the present time the Native owners wish to retain the freehold themselves?—Oh! no doubt; but if they get fair value I think, in their own interests, they would be safe, and the leaseholders would be better satisfied.

31. First of all, your objection to the leases, I understand, is the cost of arbitration?—Yes.

32. That is too costly, and the tenant has to bear it?—Yes, win or lose.

33. Very well; supposing that was done away with, and, instead of having to go to arbitration, the Act was so amended as to put a Magistrate in the position of being the person to determine the values, that would remove that objection, would it not?—So far, yes. Of course you will understand that there is no fairer tribunal to be got to investigate any matter than by going to arbitration, but in this case the arbitration is one-sided.

34. You say that the improvements the tenant puts on after a certain time do not belong to him unless he takes up a renewal?—I mean to say that the Native owner at the present time is responsible for nothing. If the tenant does not take up his lease the property falls to the owner.

35. But as long as the tenant holds on, the improvements are his?—Yes.

36. And if any one takes it over there is no compensation for improvements?—No. The Native owner is not called upon to contribute.

37. But your improvements are taken into consideration when the land is revalued?—Yes.

38. So that in that way you are made an allowance for your improvements?—Yes.

39. You say there have been three periods of depression during the term of these leases?—Yes.

40. And some sections were surrendered?—Yes, and practically sold for nothing.

41. In the business portion of the town?—Yes.

42. Do you know how many?—I could not say now. I know some houses were sold that did not fetch a third of what they cost to build.

43. It was said yesterday that in 1874 the Maoris paid £707 out of their rents to the borough for rates; in 1875, £483 12s.; in 1876, £541 3s. 9d.; and in 1881, owing to the depression, the Natives reduced the rents by 25 per cent. Are those the periods you referred to?—Yes, those are the periods I spoke of.

44. I see, according to the statement of the Public Trustee, he refers to certain sections held by you, and he states that forty years ago those sections brought in a rental of £157, whereas the present rental is £94 10s.?—Yes, now. I do not remember paying that rent for them. The first rental paid there was £1 per foot.

45. At any rate, there has not been any increase there?—Yes, in the front street there was.

46. We understand clearly now what you want: you want the freehold of this land at valuation?—Yes, that is the desire.

47. That it should be taken over by the borough, the money found, the consideration paid, and then the borough to deal with the tenants, or to hold on behalf of the tenants until such time as they become freehold tenants?—The tenant should have the right of acquiring the freehold of the section by paying to the borough what it cost the borough, and those who did not wish to pay would remain tenants; but we would do away with the system of valuation, and also do away with arbitration, and each tenant would have a more secure tenancy.

48. When you say, do away with the system of arbitration, you mean that the reserves must remain at a fixed rental so as to obviate any arbitration: the rents would remain at a fixed rate no matter how things may develop, or how matters may increase or decrease all round?—The Borough Council could not be expected to take any risk in the purchase; the lessees would have to be prepared to cover them in their purchase. I think, having regard to all the surrounding circumstances, the principle I have mentioned would be the most equitable way of dealing with the whole question. I might say again that I am pleased to see so many of the Native race here to-day, and I can assure them that no lessee on the reserve wishes to take advantage of them, but all desire that they should receive a fair rental for their property. I speak for myself, and I think I also voice the opinion of every leaseholder on the Reserve.

49. *Hon. Mr. Ngata.*] If they object to giving the freehold to the lessees, what is to be the position?—There would be great difficulty hereafter.

50. What is to be the solution of the thing—would you use compulsion?—No, I would not say, use compulsion.

51. You would not like to see compulsion used to divest them of the freehold?—No. I think we have arrived at that stage of intelligence when we can settle these matters without resorting to compulsion.

52. In making these proposals I do not suppose the lessees in any way represent the borough—there is nothing official before us so far?—The borough by a resolution has confirmed their action.

53. It is by accident that the borough is composed of lessees, or largely lessees?—The freeholders are lessees largely.

54. You do not want the Committee to assume that the Council is making these proposals?—No, but the Council will carry out all the proposals. There were resolutions passed at the last meeting of the Council asking the Hon. Mr. Carroll and Sir Joseph Ward to assist the deputation where possible.

55. You are making certain very definite proposals purporting to emanate from the Council, or with the approval of the Council?—Yes.

56. And we have nothing before us from the Council as a Council?—I am justified in saying that, as a member of the deputation before this Committee to-day, there will be no difficulty at all in raising the money to meet all requirements.

57. *Hon. Mr. Guinness.*] If the Council will not do it, private people will do it for them?—Of course, they will.

58. *Hon. Mr. Ngata.*] Then if legislation were introduced enabling the borough to acquire from the Public Trustee these reserves at valuation, and on the valuation a certain price was fixed for the freehold, have you any idea how the borough is going to finance that?—No; that would be a question I could not deal with now.

59. How would it be secured, for instance, pending the raising of the money?—It would be secured, I suppose, upon the rateable property of the borough in the ordinary way of a loan.

60. That would be over the freehold portion of the town as well as the leasehold?—I should think so. I might state for your information that the freeholders are nearly all leaseholders, but it has not their sympathy in the same way.

61. But at the same time you have to deal with the reserve apart from the freehold, and quite apart from the intermingling of interests?—Yes.

62. Would you suggest that this would be secured on the leasehold as well as the freehold?—I should think so.

63. *Hon. Mr. Guinness.*] That is to say, the whole of the assets of the Borough of Greymouth would be responsible?—Yes, they would be responsible.

64. *Hon. Mr. Ngata.*] Apart from the cost of the arbitration, is the present system of arbitration working satisfactorily?—I think the Department has not shown the spirit or desire to meet the lessees.

65. According to the statement of the Public Trustee supplied yesterday, the rents work out at from £3 15s. to £3 17s. 6d. per cent. on the unimproved value?—Yes. As to the unimproved value of this property, it is a matter I am not at all satisfied with. It is a big question to deal with, and, in a democratic country like this which we boast of, I think in no case where it can be shown that the tenants have been the creators of that improved increment should it go to the landlord to the exclusion of the tenant who made it; because the tenant is the creator of all the improvements, and it applies to the European race as well as the Maori race. Any person who visited the Reserve in 1865 and visited it now would come to the conclusion that the present tenants have added largely to the unearned increment of that property.

66. I understand the system of arbitration is this: that the rent is fixed by the Public Trustee?—Yes.

67. If the tenant objects to that, then it is referred to arbitration?—Yes.

68. The Public Trustee nominates one arbitrator, the lessee nominates the other, and then the two together nominate the umpire?—Yes.

69. And it happens in practice that the umpire is a local man?—Not necessarily so.

70. But in ninety-nine cases out of 100 that is so, is it not?—I notice there are some who get information as to the election of an umpire. I think the Public Trustee knows that.

71. But that has generally been the experience, has it not?—Yes. This has been brought about by the craving desire on the part of the Department to get higher rents.

72. Of course, each Department wants to get as high a rent as possible—you do not object to that?—No.

73. You could not hold your position if you did not do your best for your trust?—I should consider the other case of equitableness.

74. Your first duty is to do your duty for your trust?—For my employers. I think, in a case of this kind the tenants must be considered as well as the owners.

75. *Hon. Mr. Carroll.*] For a number of years, so far as the unearned increment goes, there has not been any swallowing-up by the Native owners—there has not been any to swallow up. You say that, if there is an increase in the value of what you call the unearned increment, that should follow the tenant, and not the landlord?—No, I would not say that. I think, in fair play, where the unearned increment has been created by the tenant, as a matter of equity between the tenant and the landlord they should participate in the unearned increment to the extent of 50 per cent.

76. They should halve in the unearned increment?—Yes.

77. *Hon. Mr. Ngata.*] Where would the borough come in?—The borough would not want any increase. The borough would be merely holding on behalf of the tenant, and nothing else.

78. *Dr. Te Rangihirua.*] You say that if the land were converted into freehold the buildings upon it would be improved?—Oh, yes!

79. And how do the buildings on the leaseholds compare with the buildings on the freehold?—The freehold is more used for residential purposes than for business places. The business places occupy this reserve principally. You cannot get away from this fact: that if I had a building upon a section of ground that I acquired for £100 this week, and in three months I put up a building which cost me £2,000, no doubt I should enhance the value of that section by the putting-up of that building, but the consequence is that I have to pay more rent for it, so that it is actually putting rent on to a man's improvements.

80. *Mr. Mander.*] In regard to the section of yours on which you are now paying £15 and for which you previously paid £10, if you were going to purchase that, would you not be prepared to give considerably more than the capitalised value of that section in order to get the freehold of it?—To give you an idea of what I would pay to get rid of the present difficulty under which we are labouring, in order to get the freehold of that section I would be prepared to give twenty years' rental.

81. That would not be any more than the present capitalised value of it. Would not the majority of the people in Greymouth be prepared to give considerably more than the present capitalised value in order to get the freehold?—I think they would almost go to any extent to acquire the freehold, because they are frightened or have the dread of the craving demand by the Trust for raising the rent.

82. Supposing you built a house on this particular section and you wanted to sell it a few years later, do you not think you could get a considerably higher price for the building if it was on a freehold section?—Oh, yes! of course, I could.

83. And therefore it would pay you to give considerably more than the capitalised value in order to get the freehold?—Yes.

84. And that would be an advantage to the Natives if they could get £400 for that section instead of £300, and by putting that money out at 5 per cent. that would provide them with £15 interest instead of £10?—Yes. The purchase could be made of advantage to both parties, to my mind, and, speaking commercially, if I was an independent man, and after I had taken evidence on the whole matter, I would recommend the Natives to take the money and give the freehold to the lessees. They will get the money without any charges or trouble, and the lessees will build up a town that will be a credit to themselves and to the Dominion also.

85. *Mr. Greenslade.*] You propose that the land should be acquired by the Borough Council?—Yes.

86. By way of trust?—Yes, held in trust for the tenants.

87. And the freehold should be sold by the Borough Council to the tenants?—Yes.

88. You are well aware that that would require legislation?—Yes, we admit that.

89. I do not know how legislation could be got through the House even for such a desirable thing as that, but supposing the tenants could not acquire the freehold in that manner, would you favour the Borough Council still acquiring it in trust for the people, and allowing the present tenants to take a lease or an extended lease, say, of sixty-six years?—I would be in favour of doing away with the present system altogether, and putting it in the hands of the Council if necessary, and I consider the Council would deal fairly with the tenants, and there would be no increase of rentals.

90. *Mr. Herries.*] You say that this Reserve is composed of the business part of the town?—Yes.

91. And you say the freehold part is not so well built?—Yes, it is used more for residential areas.

92. That is due to its not being in such a good position—not due to the question of the title? Oh, no! owing to its position.

93. Have you any objection to this idea: Supposing it were recommended that the Government acquire the freehold from the Natives, and then put it up for auction loaded with the cost of the improvements, as they have done in Paeroa?—I see no objection to that, provided that the

Government undertake to deal moderately with the lessees, and undertake that all interests would be protected.

94. That would not require legislation, because the Government have power now to deal with Native land?—That may be the simplest way of dealing with the whole matter.

95. There is another thing with regard to the freehold: Is your objection to this system on the general ground of freehold and leasehold, or is it because you consider it is badly administered?—No, I would not say it is badly administered, but I am inclined to think it would be in the best interests of the town and progress if they had the freehold. For instance, I have a business place there myself, and I would have built an establishment there costing me £4,000 or £6,000, but owing to the present tenure I would not do so.

96. You think all land should be freehold?—I think every man should own his own land, even if it is only a garden.

97. The Borough Council have also reserves in the township?—Yes.

98. Are they leasehold or freehold?—That is the property of the borough, and they cannot dispose of them.

99. Would it not be an advantage to the tenants of the borough if the tenant could get the freehold and put up good buildings?—If you had followed what I have said you would see I have settled that question—the borough has taken no advantage of the tenant.

100. Then you consider it is administered in a wrong direction?—They are not so craving in their demand for large rentals.

101. Would it not apply equally to the Native Reserve as to the Borough Reserve in the putting-up of good buildings?—No. You have the instance in regard to the Westport Coal Reserve leases.

102. Would it not be better for the Town of Westport if that was freehold?—I do not think so; the rent cannot be increased more than £10.

103. Then, in some cases the leasehold is equally as good as the freehold?—Yes, in connection with the land held by the borough.

104. Then, we come to this: that it is only this leasehold that you want dealt with—you do not want all the leaseholds in the borough dealt with?—No.

105. But do you not think we might equally deal with those?—No; I think the borough will deal fairly with them.

106. You think you have not been dealt with fairly by the Public Trustee?—I would not say that; we are prepared for the storm.

107. *Mr. Greenslade.*] I think you have no objection to the landlord because he is a Maori?—No, none at all. I might say that they are a race that I appreciate very much.

108. You were saying just now that you thought the borough reserves were in a different position, and that you would not advocate granting the freehold in those cases?—Yes.

109. In the Borough of Hamilton the Church of England has a property in the main street, and the leases are almost in a similar position to those leases you have in Greymouth—the term is for twenty-one years, full value for improvements, and revaluation in twenty-one years. In those cases do you think the freehold should be given?—Being a church, I would not interfere.

110. *Hon. Mr. Carroll.*] In the event of the freehold passing to the present tenants because they urge it on the ground that it would be more satisfactory to the tenants that the freehold should be theirs, then, in the event of their leasing to others, would you concede the same rights to your future tenants that you claim now?—Oh, yes! certainly. Every tenant should have the right to acquire the property.

111. Then, you would be agreeable if provision were made in any legislation bringing this into effect that the present tenants if they become freeholders should in all future dealings when leasing to others confer the same right on them that they themselves are now asking for?—Yes, in all cases. Upon that question I might give my own opinion, but this does not bind the Council. It is my desire that this should be carried into effect, but not that the administration of this land should be left to the Council altogether. I would advocate handing it over to the lessees, who should create a trust, and the Chairman of the Council should be a trustee of that trust.

112. If you are a freeholder you cannot use all you have, but would have to lease portions of it, and in every such lease you would put in such a condition that the tenant could claim the freehold?—Yes.

113. On the same terms that you now desire to procure the freehold—with no increase in the value?—In answer to that question I might say I have four people who leased a piece of land from me forty years ago. The leases expired some twenty-one years ago, and from that time up to now they have not got a new lease because they would not go to the trouble of getting one, although I could have taken possession of the whole property.

114. You would not mind any provision in law governing such future provision as I speak of?—Every lessee should be protected.

115. And he should have the freehold any time he likes it?—Yes, at any time.

116. And when the present tenants get the freehold you would make it impossible for any leasehold in the future?—I do not see how you could make it impossible.

117. Excepting as a temporary tenure?—Yes.

118. *Mr. Herries.*] You would not advocate repealing the Act altogether, and allowing the lessees to deal with the Natives direct?—That is a question I have given consideration to, but I would rather not express my opinion unless I am asked a direct question. I think the Native race are quite as intelligent and able to look after their own affairs as we are, and it is surprising to

me that they have stood back so long and allowed legislation to be passed enabling the work to be done for them. I should like to see them come out and take up their own work as the Europeans do.

119. You would not object to it being done that way—to repeal the Act altogether, and allow the tenants to deal direct with the Native owners?—If it would be an advantage to the Natives.

120. *Hon. Mr. Carroll.*] How would you view the possibility of a good smart speculator mopping up all those sections?—That man would have a very bad time of it.

121. From the tenants?—Yes, he would be boycotted.

WEDNESDAY, 10TH NOVEMBER, 1909.

(Mr. Greenslade, Chairman.)

JOSEPH WILLIAM POYNTON examined. (No. 5.)

1. *The Chairman.*] What are you?—Public Trustee.

2. I understand you have a statement to place before the Committee in regard to the Greymouth Native Reserves?—Yes.

The Committee will understand the position better if it has a brief history of the Reserve placed before it.

Origin of the Reserve.

In 1860 the Native owners of the land, the Ngaitahu Tribe, sold to the Crown the land stretching from north of the Karamea River to Milford Sound, and from the sea-coast to the summits of the Southern Alps—over 10,000 square miles, or about 7,000,000 acres in all, comprising all the gold, coal, and timber areas of the West Coast. The price was £300. The purchase was completed by Mr. James Mackay on behalf of the New Zealand Government. In his instructions he was directed to exempt from the purchased area lands required by the Natives for their occupation. One of these portions was on the south bank of the Grey River, containing 501 acres. When gold was discovered on the West Coast in the early sixties there was, of course, a great rush there, and a town quickly came into existence on this Reserve.

The Four Different Tenures.

1. *Chaos.*—At first, each settler who desired to build on a portion of the Reserve made his own arrangements direct with the Natives. The Reserve was not then vested in any public official. As usual in such cases great confusion arose. There were no proper surveys of streets or sections, and the same piece would be sometimes leased to two or more pakehas. Encroachment on each other's leaseholds and the streets were common. The Government sent Mr. Alexander Mackay, as Commissioner, to Greymouth, in order to endeavour to put things in order. He found that some tenants had paid rent in advance, some had obtained what they considered rights of renewal, and others had squatted on the river frontage under supposed leases from the owners. He, with the consent of the owners, advised the bringing of the land under "The Natives Reserves Act, 1856," and this was done.

2. *Order.*—After this leases were properly issued under that Act by Mr. Mackay as Commissioner, and the chaos reduced to something like order. Under these leases the tenants had, of course, no right of renewal, and no property in the improvements erected on their leaseholds. No power existed under the then law to give these rights.

3. *Compensation for Improvements.*—This was given by "The South Island Native Reserves Act, 1883." In 1885 the Governor appointed Harry Kenrick Geihard Mueller and James Thompson Catley a Commissioner to inquire into the whole matter. The position was very much involved owing to the land having been subdivided and the subtenants having largely improved their holdings. These subtenants had no right to renewal and no property in their improvements, as their white landlords had. One or two speculators in early times had secured large areas under leases from the Natives, and had subleased at great advantage to themselves. The Commissioner recommended that these leases of large areas should not be renewed, but those of the subtenants should have protection for improvements. The result of the report and the recommendations of Mr. Alexander Mackay, who throughout took a most comprehensive and fair view of the whole question in all its aspects, was "The Westland and Nelson Native Reserves Act, 1887." This Act, extending the provisions of the 1883 Act, provided that on the expiration of all leases and subleases the improvements were to be valued. If the Public Trustee (who took the place of the Commissioner by the Act of 1882) and the tenant failed to agree as to the value of the improvements, this was to be settled by arbitration. The lease was then to be put up to competition by auction or tender. An upset (that is, a minimum) rental was to be fixed by the Public Trust Office Board.

If some one bid higher than the tenant—that is, offered more rent—he had to pay the outgoing lessee for the improvements. This arrangement looked very nice, but it worked badly for the Natives. When the time arrived there was nearly always a difference of opinion between the Public Trustee and the lessee as to the value of the improvements. These were in most cases absurdly overvalued by the owner. It was to his interest to make them as big on paper as possible, so that any one intending to bid against him for the rent would be deterred by the amount he would have to pay in cash for the buildings or other improvements. Arbitration was resorted to again and again, with disappointing results as far as the Natives were concerned. The reason is obvious: The whole community was interested in preventing competition, and a fair decision could hardly be expected. It was found in the end better to bargain with the tenant in this fixing of values. When at last the upset rental was fixed and the values of the improvements determined, the farce of submitting the lease to public competition was gone through. Seeing that there was a certain amount of unwillingness on the part of every one to bid at auction, the experiment of calling tenders was tried. It was a failure.

4. *Perpetual Leases.*—By section 14 of “The Westland and Nelson Native Reserves Act, 1887,” the position of the tenants was further improved. This section is very innocent-looking. It reads, “In all leases to be hereafter granted there shall be a condition for a new ascertainment of the rent at the expiry or surrender of every such lease, and the then holder shall have the right of renewal for a like term upon the same conditions and covenants (including the right of renewal), subject only to the difference that the rent shall be the rent so ascertained as hereinbefore provided.” It, however, made a complete revolution in the leases. All old leases on renewal and all new leases were made perpetual. Competition by auction or tender was abolished, and the tenant, instead of having a right to compensation for his improvements from any one who offered a higher rent, became the true owner of every penny’s worth on his leasehold. The tenants are better off now, because they have no anxiety about some one outbidding them at the expiration of their leases. This might easily have happened on the influx of strangers in numbers who would not be influenced by the happy-family conditions that have kept rents down so long. When the first leases issued under the 1887 Act expired recently, the Public Trustee, on behalf of the Native owners, asked as rent for 5 per cent. per annum on the Government value (unimproved) of the lands included in each lease. This is a fair rent, and is the basis on which values are found of an owner’s or lessee’s interest in land under “The Valuation of Land Act, 1908” (see section 39, subsection (2), paragraph (b)). For a trustee to ask less or agree to a lease for less would be a breach of trust, and the *cestuis que trust* would have an action against him for the difference. The result of this proper demand was a quite surprising amount of indignation, and the present petition.

The points advanced by Messrs. Lord, Coates, and Campbell on behalf of the petitioners may be dealt with as follows:—

Expenditure of Public Moneys.

The moneys spent were either borough moneys or General Government moneys secured on endowments, &c., or unsecured. If local moneys, the Reserve *must* pay its share. The rates must ultimately fall on the owner. This is one of the most elementary principles of political economy. Where the rents of the leases are fixed by competition or arbitration at reasonably short intervals, this general rule is the more constantly in operation. No one outside of a lunatic asylum in tendering for a lease by the terms of which he has to pay rates would overlook them. His rent would be reduced according to the amount of rates. If a fair rent for a section would be £10 per annum without rates, and the rates on it amounted to £2 per annum, his rent would be £8, and the owner would lose the £2—in short, pay the rates by a reduced rent. But, in addition to having to find these rates, of late years the owners have made special payments. In 1870 the Government sanctioned an expenditure out of the Greymouth Native Reserve funds at the rate of 10 per cent. on the *net* rental collected on the Native Reserve in aid of rates, such contribution to be expended in the improvement of the streets within the Reserve.

In accordance with this arrangement an annual subsidy was paid the Borough Council for five years, the amount paid by the Trust in that manner being £1,746 19s. 2d.

Independent of this sum, additional moneys have been contributed at different times for the protection and improvement of the property. In 1876, £541 7s. 9d. was expended in protective works, and £150 in forming streets. The total moneys so expended in ten years to the 1st July, 1875, represented an annual contribution at the rate of 20 per cent. on the income collected.

Now, if public moneys have been spent to the benefit of the Reserve, every taxpayer in the Dominion contributed as well as the lessees, and all have equal rights to complain. Looking at the enormous value of the estate secured by the Crown for £300 (less than what some of the petitioners have made out of a small section by subletting or assigning, through their low rent and advantageous terms of their leases) such moneys should not be grudged; and they are not. The pakehas get the moneys spent to benefit themselves, not the Maoris.

Improvements.

Mr. Lord’s figures completely answer the absurd statement that the tenure does not encourage the making of improvements. They show what has been done in that respect.

As the tenants own absolutely all the improvements of every kind, and have perpetual leases, *nothing further could possibly be done to encourage them to improve.* This is shown by all the fine buildings on the leasehold compared with those on the freehold portion of the river-bank, to the west of Boundary Street. The difference is very striking and significant to an unprejudiced eye.

Streets and Slums.

Mr. Coates complained that the high rents caused the owners to subdivide to escape them, and so caused too minute subdivision, resulting ultimately in slums. The division is not due to a desire to escape the rent, but to get money by selling the goodwill of portions of the leaseholds. This proves that the rents are *too low*. If fair rents were paid there would not be this trucking in their leaseholds by the tenants. They could not subdivide and sell them for considerable sums, as many are doing. A word of warning is necessary about this business. Unless this subdividing is controlled by the borough, slums will be brought into existence. It is in the highest degree absurd to blame the Natives for this. The office gets nothing out of this cutting-up of sections, but if it objected to it there would be the usual howl by interested individuals about "official tyranny," &c. The borough should prevent it going too far. Too small sections, like too narrow streets, are open to grave objections.

Surveys.

Perhaps the most remarkable request of the tenants, as urged by Mr. Coates, is that the Natives should pay for the surveys for these subdivisions. Pay for surveys to allow their tenants to put money in their pockets by speculation with and mutilating their land! The number of small right-of-ways and miserable little plots created by the lessees in Greymouth will yet be a reproach to the town. Instead of the Trust benefiting by these, it may ultimately suffer in consequence of them. This demand is characteristic of the unreasonable attitude taken up by many of the lessees towards the owners.

Rentals.

The burden of Mr. Campbell's evidence and complaints was "the craving desire of the Trust for rents." His own personal trouble about which he spoke arises in this way: He is the lessee of part Section 302c, Block 16, containing 16·6 perches. The Government capital value of it is £2,400—improvements, £2,000; unimproved, £400. £2,000 improvements on 16·6 perches, the value of which is £400, shows that Mr. Campbell has not been discouraged to improve his leasehold. The office, as it was bound to do, asked 5 per cent. on this £400. He refused it, and on arbitration £15 was awarded.

Now, these repeated assertions about excessive rents are completely answered by this return showing the rentals for the last thirty-six years. They are of more importance than a crowd of interested witnesses, and at once dispose of this imaginary grievance:—

Annual Amounts collected from Greymouth from 1874 to 1909.—Thirty-six Years.

1874	...	3,697				
1875	...	3,049				
1876	...	3,463				
1877	...	3,461	Average for 6 years, 1874 to 1879, inclusive...	...	...	£ 3,517
1878	...	3,976				
1879	...	3,457				
1880	...	2,711				
1881	...	3,405				
1882	...	3,144				
1883	...	2,310				
1884	...	3,078	Average for 10 years, 1880 to 1889, inclusive	...	...	3,089
1885	...	3,206				
1886	...	2,988				
1887	...	3,328				
1888	...	3,362				
1889	...	3,363				
1890	...	3,459				
1891	...	3,385				
1892	...	3,228				
1893	...	2,852				
1894	...	3,632	Average for 10 years, 1890 to 1899, inclusive	...	...	3,479
1895	...	4,577				
1896	...	3,811				
1897	...	3,175				
1898	...	3,436				
1899	...	3,244				
1900	...	3,450				
1901	...	3,413				
1902	...	3,377				
1903	...	3,614				
1904	...	3,962	Average for 10 years, 1900 to 1909, inclusive	...	...	3,500
1905	...	3,581				
1906	...	3,060				
1907	...	3,764				
1908	...	3,515				
1909	...	3,264				

Average for thirty-six years, £3,383.

As shown by the rent-roll for each year, the tenants are paying no more now than they were thirty-five years ago. At that time they—

- (a) Had no right of renewal;
- (b) Had no property in their improvements;
- (c) Had no voice in fixing the rent.

At the present time they own all their houses, fences, and improvements of every sort, have the valuable right of perpetual renewal, and have more to say, as proved by the results, than the owners in fixing the rents. (On this point see extract from the report of the Public Trust Office for 1909, produced.) Yet, with all these advantages, and notwithstanding the large sums of public money spent in the district and town, and which they so emphatically assert has been “to the betterment of the Native property,” no more rent is paid by them than formerly. Any betterment has gone to the lessees, not the owners; and it is the owners, not the tenants, who have a legitimate grievance. The concessions from time to time given to the lessees in allowing them their improvements, security of tenure, and an equal voice in fixing the rents, though of enormous benefit to the receivers, have brought no corresponding advantage to the givers.

The Natives particularly desire me to impress upon the members of the Committee that this Reserve differs from most others in the Dominion. Many of these were set apart by the Crown out of lands purchased from the owners. But this was never parted with at all. The words on the purchase deed are:—

[Translations of Notes.]

“But there are certain pieces of land for us within [or in the midst of] those same lands [*i.e.*, the block under sale to the Government]. The Schedules A and B attached to this deed contain [a list of] those lands. Those lands were not [or have not been] paid for.”

This may appear to the Committee a trivial and technical matter, but the Natives regard it as of great importance. They have never parted with this land, and wish this to be clearly understood.

3. Do you wish to supplement your statement in any way?—I just desire to produce a plan showing the area held by Mr. Coates, and the small subdivisions. [Plan produced.]

4. *Hon. Mr. Carroll.*] In part of your statement you say that the calling for tenders proved a failure?—Yes.

5. Can you explain why?—Well, the tenants would not compete with one another as far as I could learn. There was an understanding that they would not compete. One man did compete, and there was some trouble about it, and I do not think we got any further.

6. The various interests that were hostile were against competition?—Yes.

7. Either by public auction or tender?—Yes. The last auction was a fiasco. The Government Insurance Department wanted offices, and they resolved to bid. This was a case in which the lease was expiring. The improvements were agreed upon between the Public Trustee and the tenant, the auctioneer was instructed to put it up to competition and the sale was advertised, and a good number, according to the newspaper, attended. To the astonishment of everybody the agent of the Government Insurance offered to bid; but the auctioneer refused to accept the bid, and made a little speech, I believe, on the iniquity of anybody offering to bid, and he was applauded vociferously by the crowd. Telegrams were sent to the Government Insurance Commissioner, to Mr. Seddon, and to myself asking that the sale should not be gone on with, and after a lot of hesitation and trouble the sale was withdrawn. It was recognised by the Government Insurance Commissioner that it would be useless to proceed, and he also felt that if he did so he would be boycotted in Greymouth. The papers came out with very large headlines, and the auctioneer refused the offer. The following extract and headlines appeared in a Greymouth newspaper: “Greymouth Native Reserves.—Town People Indignant.—Government running Prices up.—Mr. Lynch adjourns the Sale.—Desires to communicate with the Government.—This Action heartily approved of.” “Mr. Lynch in acting as he did has proved himself a friend of the people in Greymouth, has shown that he will have nothing to do with such questionable transactions, and is deserving of the warmest thanks of his fellow-townsmen.” The feeling was that the people should not compete against the tenants.

8. When the auctioneer refused to go on with the sale, did he state publicly his reason? Is there any evidence of that?—I could not say. The newspaper states, “Mr. Lynch explained the position very briefly, and Mr. Saywell read a telegram from the Public Trustee to the effect that the sale must go on. When Mrs. McDonnell arranged some time ago with Mr. T. R. Saywell regarding the rental and the valuation of the property, not being altogether an adept in business matters, she valued her improvements at altogether too low a figure—that is, as business people would view the transaction. However, the rent was increased to correspond to some extent with the enhanced value of the property. Mr. Saywell gave no intimation that there would be competition at the sale, and, as a matter of course, Mrs. McDonnell saw no reason to apprehend any. Nor does it appear that Mr. Saywell had the least idea that there would be any competition. Although he may come in for some blame, he probably only did his duty. It is the business of the Public Trustee to do the best for his clients, unwritten law notwithstanding; and if the Insurance Department considered the property a desirable one and intended to bid for it, the Public Trustee could not well prevent the competition. The tenure of the property is in this position: The Public Trustee rents from Mrs. McDonnell as sublessee the office in which the local business of the Public Trust Office is carried on, and the lease has still three and a half years to run. A condition of the sublease is that Mrs. McDonnell is bound to grant the Public Trust a renewal at the expiration of the present lease. How this would be effected if the Government Insurance Department ousted Mrs. McDonnell and acquired the property might only be decided after litigation. Mr. Lynch said it was a breach of contract in the first place to adjourn the sale; but he was now going to commit another gross breach, as he did not intend to sell the property then. This announcement was received with a burst of hearty cheers by those in the room and those assembled outside. Mr. Lynch then said that, although his action might be disapproved of and get him into trouble, he

felt that he could not do otherwise, and he hoped that the public would help him in any difficulty he might get into. The response came in a rousing cheer from all present. The assemblage then dispersed. A requisition to hold a public meeting on the matter is being largely signed."

9. Under whose authority was it put into the hands of the auctioneer?—Mine.

10. To sell?—Yes.

11. And he refused to take any competitive bid?—Yes, he refused—he would not accept a bid. I afterwards demanded from him the amount of the expenses that the office had been put to, and was about to sue him for the costs and expenses, amounting to £26, when he paid them. Of course, he could not avoid paying, because he had broken his contract with the office.

12. Are you in a position to explain whether, if the auctioneer had gone on and accepted competitive bids, there would have been any injustice to anybody?—We did not see any injustice. A lot was made of the fact of Mrs. McDonnell being a widow; but she had agreed to accept £200 as the price of the improvements, and she would have got that. She pulled down and rebuilt immediately afterwards. That £200 would have gone into her pocket, but she would have lost the goodwill of the lease.

13. She had the right to bid?—Yes, of course, the same as the Government Insurance; but if they had bid she would have had to pay considerably more than she is paying now.

14. In 1870 there was paid out of the net rentals the sum of £1,746 19s. 2d.?—That is from 1875 back.

15. As contributions towards the rates?—Yes. At that time Native reserves were not rated. It was considered wrong that they should not pay rates, and it was on Mr. Mackay's report that they should contribute on that basis.

16. Including that amount in 1876, you say, for ten years fully 20 per cent. of the income collected was contributed?—Yes.

17. Does that 20 per cent. include the amount already mentioned?—Yes, that is the total.

18. At any rate, for ten years the income contributed fully 20 per cent. to the local rating—going to the local body?—Yes.

19. You say that the tenants own absolutely all improvements?—Every farthing's worth. In regard to the contributions, the Appendices to the Journals, 1879, G.-3A, p. 279, say, "In the year 1870 the Government sanctioned an expenditure out of the Greymouth Native Reserve funds at the rate of 10 per cent. on the net rental collected on the Native Reserve within the Borough of Greymouth in aid of rates, such contribution to be expended in the improvement of the streets within the Reserve, the understanding being that the aid so afforded was merely to be considered as a concession, and was to cease in course of time. In accordance with this arrangement an annual subsidy was paid the Borough Council for five years, the amount expended in that manner being £1,746 19s. 2d. Independent of the above-named sum, additional moneys have been also contributed at various times since the occupation of the estate for the improvement of the property. The total amount expended in that way during the first ten years—namely, to 1st July, 1875—represents an annual contribution at the rate of 20 per cent. on the income collected within the borough."

20. In reply to the question in regard to the improvements, Mr. Campbell, I think, said they belonged to the owner after a certain term?—No; Mr. Campbell was hazy about that. I do not think he has really grasped the change which has been brought about by section 14. He thought any one outbidding him in rent would have to give compensation for improvements.

21. I want you to explain the position?—I have explained that in the report. Mr. Campbell referred to anybody having to compensate him if they took over a lease, and I think his impression as to the old order of things still prevails.

22. Under the existing order of things you say that the tenants own absolutely all improvements?—Absolutely. The only relationship we have with them is to adjust the rent every twenty-one years.

23. In regard to subdivisive surveys, where the tenants cut up and subdivide their allotments in order to sublet, you hold to the principle that it is not fair to make that chargeable to the ownership of the land?—No, certainly not. I have stated that I thought it well understood that was one of the grievances of Mr. Coates and also of the petitioners, that we were not in the position of the freeholder—we had to dedicate streets. Some of the streets that the tenants have dedicated are shown on the plan. They do it for their own benefit, so that they could get an increased rent.

24. There are streets which the tenants have already dedicated?—Yes, narrow streets.

25. What power had they to dedicate?—They had no power to dedicate them, but they can arrange with the borough to take them over. There is one in which the District Land Registrar refused to certify.

26. The process by which they get these streets dedicated is by conference with the borough, and they take under the Public Works Act?—The borough approves of the dedication, and the same with right-of-ways. We will not consent to any subdivision or any right-of-way unless the borough approves.

27. When the borough approves of such dedication, and the land is taken under the Public Works Act, is compensation paid?—Yes. I do not know that we have had any dedication of late years. The Reserve has been subdivided for years and years, and I do not know of any dedication of streets recently.

28. Would there not be an obligation on your part, as trustee of these lands, to claim compensation?—Yes, we would claim compensation, and we have claimed it for the tidal creek marked on the plan. That has been taken for a park for the town, comprising 8 acres, and it is a benefit to both sides.

29. Was the road there (Threadneedle Street) dedicated by the tenants?—Well, I could not say—it was too long ago—it was not in my time. It is less than 66 ft. wide, and the subdivision

facing it was not consented to by the District Land Registrar. But in the case of the little right-of-ways there is no dedication. They are private right-of-ways, and agreed to by the Trust providing the town consents to them, and the town has consented in all cases.

30. *Mr. Herries.*] Then you have £2,500 in hand according to the report?—Yes.

31. What is the capital value of the land?—£110,000. That is the Government valuation of the Greymouth Reserve, but the value is really more than that. In regard to that amount in hand, a lot of that is capital; some of it is compensation for land taken under the Public Works Act, and in that case it falls into the fund and is treated as capital.

32. That is not accumulation of rents?—No.

33. Do you think it would be better for the Maoris if the Government were to give them £110,000 for the Reserve?—They would get an increased amount.

34. And if it was invested for their benefit by your office?—They would get an increase of 40 per cent. on their income, but would have no further increase. Of course, if the place was swept away they would have a decrease.

35. What percentage do they get on their capital value at the present moment?—£3 15s. per cent.

36. And what is the average on investments when you invest for them?—We can reckon on getting 4 per cent. net.

37. Do they get that now?—No, that is on part of the Reserve. The value of the part leased is £95,000, and it comes to £3 15s. per cent. gross.

38. Then it would be better for the Maoris if the Government paid them the value of the land and invested the amount for them?—Yes, they would get an increase, and they are not certain of that now.

39. What percentage do you charge them?—Seven and a half per cent.

40. Is not that rather a large sum to charge them?—Yes, it is a large sum, but it does not pay the office. The Native business is the least payable part of the business of the office. All Native reserves are administered by one branch.

41. You charge $7\frac{1}{2}$ per cent. over all?—Yes.

42. What other charges are there besides?—Land-tax.

43. Do they pay the whole of that?—Yes, on the whole reserve. Each Maori if he only gets £2 a year pays land-tax. The office pays land-tax on the whole block.

44. Could you show a statement of what land-tax has been paid?—I could get it for you.

45. Do you pay a graduated tax?—No, the Native reserves are exempt from that.

46. You only pay the ordinary land-tax?—Yes, ordinary land-tax.

47. That is an old grievance, and you have recommended in the case of the West Coast Native lands that an alteration in the Land and Income Assessment Act should be made in order to exempt Native lands?—Yes, I have frequently recommended that.

48. Not to exempt them, but to make the exemptions apply?—Yes.

49. *Hon. Mr. Guinness.*] In regard to the question put by Mr. Herries, you say that the rentals bring in £3 15s. per cent. Is that on the gross income or upon the net income?—The gross income of the land leased is £3 15s. per cent.

50. What is the income on the capital value of the Reserve that the Natives actually receive—have you worked that out?—Yes, they get about £3,083 19s. 8d. net.

51. And the capital unimproved value of the Reserve is £110,000?—Yes.

52. That is on what is leased?—Yes, it is not all leased. On the whole it comes to a great deal less than £3 15s. per cent.

53. There are other charges besides the $7\frac{1}{2}$ per cent. that you levy on the Natives—legal charges?—No, we get at the tenants for that. The tenants get a cheap lease, and we charge them £1 for the lease.

54. I mean, other charges in connection with the management of the Reserve: you make no legal charges on the owners?—No, the commission of $7\frac{1}{2}$ per cent. covers everything. I might say I thought it was too high some time ago, and I got a report from the accountant.

55. You recollect that up to quite recently, with every transaction, assignment, mortgage, or transfer, the Public Trustee charged 10s. for writing his signature to the word "Consent"?—Yes, a private lender's solicitor usually charges £1 1s.; but we have reduced it to 5s. now. You spoke to me about it.

56. Yes, and you agreed to reduce it to 5s. for the tenants?—Yes. Of course, the Natives do not pay that.

57. Now, with regard to the evidence about the dedication of side streets, we will first take Threadneedle Street. That is a street less than 66 ft. wide, and it was put through some large blocks that were leased to a tenant named McDavit?—I did not know that. It was before my time.

58. Do you not know that since that street was made those large blocks have been cut up into small sections and leased by the Public Trust Office to tenants? The effect of that is that the total rent received for those large blocks has more than increased fourfold, and therefore the putting of that small street through the blocks has increased the rental of the lands adjoining by fourfold and upwards?—I could not say. I could look up the records before and since.

59. Can you not get the records to prove my statement?—I think so. How long back?

60. I think it was between 1896 and 1871?—I think we could get the records.

61. Do you not know that the process of dividing large areas into small blocks, and making a right-of-way or small street which the Borough Council approves of, has the effect ultimately of increasing the rent to the Natives by increasing the rent of the blocks so cut up?—It has not increased them so far.

62. But that is the natural effect when the leases fall in?—But they have fallen in. A great number of them have fallen in during the last twenty-one years.

63. You are speaking of the gross, but do you not know that several sections in the business part of the town were let at a much higher rental than is now being got from them?—I should not be surprised at that. Another thing is that a lot of those are assignments which are for three days short of the term.

64. Then the valuer comes along and values each of those small sections with his separate section, and he puts the same rental on those sections that the subtenant was paying, and you get the benefit of that increase when you are issuing new leases?—The benefits are conjectural—we have not had them yet.

65. Is it not a fact that out of the hundreds of tenants your remarks only apply to two tenants, O'Shanaghan and O'Donnell?—What term?

66. Those leases providing for three days short of the term: we are speaking of those cases that you mentioned, of subleases that have been granted providing for three days short of the term?—I could not say what the proportion is.

67. I put it to you that it is a fact that only two tenants of the Reserve are subletting on those terms—namely, O'Shanaghan and O'Donnell. Can you deny that?—No. I think there are some who have leases instead of assignments.

68. Can you contradict the statement made by the Town Clerk from the records of the borough that £87,719 has been spent by the borough out of borough money in drainage and other public works on this Reserve?—No, I should think it would be correct.

69. What do you say becomes of the value of the improvements that the tenant has put upon his holding at the termination of his lease when the new assessment takes place in the rent, and the tenant, being dissatisfied with the new assessment, declines to take up a new lease on the increased ground-rental?—It has not occurred in my time. I should say that, looking at the amount of rent we are receiving for the actual value of the thing, there would be any number of others willing to take it up. We have not had experience of any one in that connection during my time.

70. Now we will come to the case of Mrs. McDonnell, the widow's lease, that the auctioneer declined to sell over her head. Is it not a fact that the New Zealand Government Insurance Department were renting offices erected on portion of that lease?—Yes, but they were about to be pulled down.

71. How do you know that?—Well, it was known to everybody.

72. Well, I did not know it, and I am representing Greymouth, and live there?—They were tenants of Mrs. McDonnell's.

73. And that your agent beat Mrs. McDonnell down in the value of those improvements, and got her by his representations to agree that the improvements only represented the small sum of £200?—No, I distinctly deny that. We have never beat anybody down. If they think they have been beaten down they have the right to refer the matter to arbitration. I deny that there was any beating down.

74. Is it not a fact that your agent was acting in conjunction with the New Zealand Government Insurance Department in order to beat Mrs. McDonnell down so that they could outbid her at the sale, and get hold of the offices for themselves?—I say emphatically it is not so.

75. Is it not a fact that the whole of the people in Greymouth were up in arms against such action, and attempted to prevent the sale by public auction to this representative of the New Zealand Government Insurance Department?—No, it is not so.

76. Do you say it is not a fact that, when the tenants and the friends of Mrs. McDonnell represented the circumstances to the Premier, he ordered the sale to be withdrawn?—Yes, a telegram was sent to the Premier and to Mr. Richardson and myself.

77. Can you produce the telegram that was sent to the Premier?—I may have a copy of it here. I will read the whole of the telegrams that passed between yourself and myself and the Premier if you wish. On behalf of the agent and the office also I refute any suggestion that there was any collusion between the agent and the Government Insurance Department. I can put in the file to prove it.

78. I suppose you know that that was one of the reasons, rightly or wrongly, that the public got hold of?—Well, the public are so sensitive about these matters that they are likely to get a wrong impression.

79. What was ultimately done?—Ultimately the amount that was offered was accepted. A special meeting of the Board was called to consider the matter, and the property was put up again for tender, as it was thought it was useless to put it up to auction. There was no tender received, and Mrs. McDonnell got it at her own figure—the upset rental.

80. *Hon. Mr. Carroll.*] That was, of course, to the benefit of the owners?—Oh, no! to the benefit of Mrs. McDonnell. The owners should have got much more rent. The Government Insurance Department were quite prepared to bid much more than Mrs. McDonnell was.

81. *Hon. Mr. Guinness.*] Does not that prove the point that it was the site in Greymouth where this person had made a business, and which was a particularly good site for that line of business—that it was the business goodwill for which they were bidding, and not the value of the land?—No; in this case it was the value of the land for which they were bidding. The arrangement was for a certain amount, and others thought it was worth more.

82. Was not the Government Insurance Department bidding for that as it was considered the most valuable site for them on which to carry on their business?—Perhaps it was. I understood they could not get offices, and they thought it was better to build for themselves.

ARTHUR ROBERT GUINNESS examined. (No. 6.)

The Chairman: Do you wish to make a statement to the Committee?

Witness: Yes. At the last sitting of the Committee Mr. Ngata was anxious to know what authority the deputation had from the Borough Council with regard to the statements put before the Committee. I was sure the Council would agree to the suggestions put forward, so on Saturday morning, the 6th November, before Mr. Campbell left for Greymouth, I framed certain resolutions which he took with him to submit to the Borough Council. They have since been passed by the Greymouth Borough Council. The following are the resolutions:—

(1.) That the Borough Council of Greymouth desires to purchase from the Native owners the freehold of the Native Reserves Nos. 31 and 32, in the Borough of Greymouth, at a fair valuation—namely, the present unimproved Government valuation of about £110,000.

(2.) That legislation be passed authorising the borough to issue debentures for the amount of the purchase-money, bearing interest at £4 per centum per annum, secured on a special rate over the whole of the rating area within the borough, provision being made for a sinking fund, and the right being given to redeem such debentures at any time after (say) six months' notice.

(3.) That the Borough Council be given power to sell to the lessees the freehold of their respective holdings at the price at which the Borough Council acquired the property.

(4.) That, in the event of any lessee not wishing to acquire the freehold of his holding, the Borough Council to have power to grant a lease thereof for sixty-six years at a rental of £4 per centum on the cost to the borough of the holding so purchased, such lease to contain a clause giving a right to purchase the freehold at any time during the currency of the lease at the price at which the Borough Council acquired the property.

On the 8th November I received the following telegram: "Hon. A. R. Guinness, House of Representatives, Wellington.—Resolutions *re* Native leases passed unanimously by Council, and copies posted yourself and other members.—GRACE, for Town Clerk."

THOMAS WILLIAM BEARE examined. (No. 7.)

1. *The Chairman.*] What are you?—A barrister and solicitor, residing in Hokitika.

2. Do you wish to make a statement to the Committee?—Yes. I might state on behalf of the Natives that they have come up to Wellington especially to support the Public Trustee in his opposition to the proposition on the part of the tenants of the Greymouth Native Reserve to convert it into the freehold. They practically corroborate all that Mr. Poynton has stated in his evidence given to-day. Briefly, the view they take up is this: First of all, they complain that they have been the ones who have been injuriously affected, inasmuch as they have not got all the rent they should have got in past years, and they are therefore opposed now to the conversion of the leasehold into freehold, on the ground that they would be practically deprived of the unearned increment, if any, which has accrued during the last twenty-one years. They have certainly not derived any benefit from it during the last twenty-one years, and if any benefit is to be derived at the present moment or in the future leases, then the conversion of the leasehold into freehold would rob them of it. I might say that this proposition has been simmering for some time in the minds of the Greymouth tenants, and a deputation came down from Greymouth to meet the Natives at Hokitika, when the whole matter was put before them with the view of obtaining the consent of the Maoris. The Natives, on their part, called a meeting of the beneficiaries connected with the Reserve, and decided to oppose the conversion of the leasehold into freehold and to support the Public Trustee. This resolution was arrived at unanimously by all the beneficiaries. With reference to what I might call the new proposal, that, of course, has not been submitted to them, and they are not in a position to give a definite answer to-day until they have again consulted the beneficiaries. The meeting appointed a Native committee to watch their interests and to act in conjunction with the Public Trustee, and that Native committee is present. They will tell you that, from the Native point of view, they rely a great deal upon the original contract which was made between Mr. Mackay, representing the Government, and the Natives, as far back as 1860. Mr. Mackay, on behalf of the Crown, purchased from the Natives 10,000 square miles of country, including all the gold-mines, coal-mines, timber, and other minerals, for the sum of £300. I need hardly remind the Committee that millions have been obtained by the colony from that purchase, and I suppose millions more will be obtained. In that contract there was a special clause which the Natives desire now to emphasize before the Committee—the clause already mentioned by the Public Trustee, in which it was deliberately stated that this particular so-called Reserve was a portion of the land that was not sold to the Crown by the forefathers of those Natives here. It was specially exempt, and the Natives will tell you there were good reasons why it should have been. Nearly all the exemptions were at the mouths of the rivers on the Coast. The Natives at that time depended considerably on fishing, and they put a great value on it; but there were many other reasons why this particular land, these special portions, were not sold to the Crown, and, speaking from both a sentimental point of view and a practical point of view, they do not desire to part with this portion of the land to the tenants or anybody else, as it belonged to their forefathers, and they think they should not be compelled to do so, as it would be a breach of faith from their point of view if such was attempted, as it is the only land which they have had excluded from that large area of country which was sold for such a small sum to the Government of the day. They would ask, however, with reference to the new proposition on behalf of the tenants for the Borough of Greymouth to purchase this property, that nothing should be done, at all events, until they have had time to consider further in reference to that matter, and that, at all events, nothing should be done without their consent. In the first place, they think the sum proposed for the purchase is altogether too small, as although the Government valuation of the property is £110,000, still, from inquiries they have made, the property is worth considerably more; but they will be pleased to consult with all the beneficiaries and consider the proposal made. I might point out, as has

■ already been stated by the Public Trustee, that their rents have barely averaged 3 per cent. on the capital value in the past, and their only chance of recouping themselves for this loss would be by getting the value of the area there is in the Greymouth Reserve at the present time, which they think should bring them in 5 per cent. on the capital value, rather than trusting to investments which may or may not produce 4 per cent. in the future, and which would result undoubtedly in the loss of the unearned increment of the properties that they have invested in in Greymouth. They desire the reserves to remain as they are. With reference to themselves, this money, although going to one or two families—four families, I think, on the Arahura side—really keeps a large number of their descendants. Many of them have families, and it has been found that in the past the income has not been sufficient to keep them. All their money is really expended on food and clothing, and in practice it has been found that the income is not sufficient to pay their debts. They feel that the Greymouth land is likely in the future to return them a certain sure income of over 4 per cent., whereas in any investment of the proceeds of the sale of that land it is doubtful whether it would return that amount.

PIRIPĪ TAUWHARE examined. (No. 8.)

1. *The Chairman.*] You are one of the Natives interested in this Greymouth Reserve?—Yes.
2. Do you wish to make a statement?—Yes. At a meeting of the beneficiaries held at Arahura on the 18th September last, the subject was brought forward of the beneficiaries meeting the deputation in regard to the conversion of the leasehold into freehold, and it was unanimously decided then not to sell. Mr. Uru represented the East Coast Natives as far down as South Canterbury, and he came up and attended the meeting.
3. And you were unanimous?—Yes, not to sell. We also decided to support the Public Trustee in the movement mentioned by him here to-day. Some of the leading people—my mother and others—said they would not like to part with the Greymouth land, because they say it is the balance of the fat remaining belonging to our ancestors. I produce the deed of the Potini sale, and they thought that if this particular property was sold it would be against the words that Mr. Mackay had with our forefathers, and therefore they asked us to come up here and support the Public Trustee in the course he proposes to take. Not only that, but the Natives of Arahura especially are not so well off with property as the other Natives about. We have our descendants, coming to about forty, fifty, or sixty, and the areas set aside by the sale would not give them 20 acres. There are others in the Greymouth Reserve who have only got 1 acre, 1 rood, and 2 perches, so that if this spot is sold and the money spent it will be a case of their depending on the State to keep them. There are fifty or sixty grandchildren now living. At Arahura the river is silting up, and wherever a Maori pa is the river is bound to encroach on it. All the rivers along the West Coast and all the Maori pas along the Reserve were set aside, and the places at Arahura and Hokitika cost a terrible lot of money to keep going; and, taking the big families, when you come to work it out there is only about an acre and a half, and they cannot get along at all. Therefore our committee decided to support the Public Trustee very strongly, and not to agree to the conversion of the leasehold into freehold.
4. *Mr. Parata.*] Then, the general wish of you people, who are the owners of this Greymouth Reserve, is that you do not under any circumstances desire to sell the land to the European lessees?—Yes.
5. You are entirely in support of all that has been stated by the Public Trustee?—Yes.
6. *Mr. Herries.*] Have you any objection to sell to the Government straight out?—That is a new subject, and we have not decided that. The only thing we considered was the question of the tenants wanting the freehold.
7. The figures given by the Public Trustee seem to show that you would get a bigger income if you sold to the Government and the money was invested than you do at present from the tenants. Has that fact been put before you?—No.
8. You have not considered the question of the Government purchasing?—No. If the subject comes before us we will consider it.
9. Who pays for the succession orders when a man dies—does the Public Trustee arrange all that?—No.
10. Each Maori?—Yes, each Maori has to pay for his own order.
11. There is a certain amount of expense incurred there: is it much?—Only 5s.
12. There is much more than that if there is a dispute?—That depends on the area. If there were twenty or thirty shares you would pay £5.
13. *Hon. Mr. Guinness.*] Do I understand the principal reason why you Arahura Natives and the Kaiapoi Natives who are interested in this Reserve refused to sell was that, by selling, your proportions would be so small that you may not have enough to exist on?—Of course, that will go before the committee.
14. You are afraid that might happen. If Mr. Poynton can satisfy you that the investment of the proceeds of the sale of this Greymouth Reserve will give you a larger income than you are getting now, would not your main objection to selling be done away with?—We would consider that separately. We reckon our tenants in Greymouth, knowing the railway is going through to Greymouth in three or four years, think the value will increase. They were labouring under great difficulties in the last thirty or forty years, greater difficulties than what they are labouring under now, and they were paying more rent than they are paying at the present time. Therefore, if we sell the property we may just get the value now, and not what it will be five years hence.
15. Do you not know that there is a strong feeling that in future, if there is a harbour made and a coaling-station at Point Elizabeth, six miles north of Greymouth, it will have the effect of depreciating the value of the Reserve considerably?—A little; but, of course, Greymouth will be

the key of Westland, because even if the harbour is at Point Elizabeth the boats must come back to go to Christchurch, and also to Nelson.

16. But do you not know that there is a strong feeling that when the railway is completed through to the West Coast that then Greymouth will not be such an important centre as it is to-day, because the Christchurch merchants will be able to do the business that the Greymouth merchants are now doing?—That may be for a while.

17. Have you considered all these points, of the property depreciating in value, and that it would be better to have sovereigns in the hands of the Public Trustee yielding a certain revenue that can never go down and never go up than to have a property that might go up and might go down? What do you think about that?—I do not think there is much chance of it going down. It might go down a little.

18. Supposing the sale of the Reserve were effected, and the Public Trustee were to invest, or offer to you the right to select or select for you certain areas of country, say, in the North Island, and invest the money in that: is there not a greater probability of such areas increasing in value than there is of the Greymouth Reserve increasing in value?—That may have been twenty years ago, when we could get plenty of good property for 10s. an acre.

19. You can get plenty of good land in the North Island which will increase in years to come?—Oh, no. What about Kawhia? You could get good land for 10s. an acre twenty years ago, but if you wanted a sheep-station now you would have to pay £5,000 or £6,000.

20. Do you not think that investing the money in land would be a better investment than leaving it in the Greymouth Reserve?—It would not be so sure as Greymouth.

21. There is a chance of it washing away with the floods?—I do not think so.

22. You have not lived in Greymouth for thirty or forty years?—I have seen the big floods there.

23. Have you ever seen any of the “old man” floods which came 4 ft. over this Reserve?—I was there at the time, and saw it at Arahura.

24. You did not see the Greymouth flood?—No.

25. You were not there when fourteen houses were washed over the wharf?—Well, it has changed since.

26. *Dr. Buck.*] I understand, in the opinion of your committee, that from the point of view of business there is a more certain return from this land, and you are inclined to stick to it; and, secondly, you think there is a certain amount of sentiment in regard to the remaining portion?—Yes.

JOHN TAINUI examined. (No. 9.)

1. *The Chairman.*] You are one of the Natives interested in this Reserve?—Yes; and I desire to indorse what the last witness has said in regard to the meeting at Arahura. It was unanimously agreed not to sell. Of course, this land has descended down to us from our forefathers as our birthright. When the deputation came down to Hokitika, when Mr. Guinness, Mr. Coates, and others were present, I absolutely said before that deputation that the Public Trustee was our man, and we came here on this occasion to back him up. As to the money that would be paid, it would be better for us to stick to Greymouth instead of having the money, because we know very well that it was our forefathers who left it to us.

2. *Dr. Buick.*] Since your meeting, and what you have heard said before this Committee, you have not had any cause to change your view? You do not think you would benefit as regards the business transaction by selling?—No.

JOHN H. W. URU examined. (No. 10.)

1. *The Chairman.*] You are also one of the Natives interested in the Greymouth Reserve?—Yes. I do not know, Mr. Chairman, that I can add anything more in regard to the Greymouth Reserve than what has already been said by Mr. Poynton and Mr. Beare. As far as we on the East Coast are concerned, we are unanimous not to sell Greymouth. We know we have a good asset in Greymouth, and we want to stick to it. If Greymouth is good enough for Mr. Guinness, and Mr. Coates, and the others, it must be good enough for us; so we strongly ask you and the Government that in the event of your accepting some proposal from these people that you will give us a chance first before you make any definite arrangement. We are like Mr. Coates; when he was asked why he did not go and benefit himself out of Greymouth, he said he was born there, and his father lived and died there; and we are like that. The land belonged to our fathers, and we would like to stick to it.

2. *Hon. Mr. Guinness.*] Are you one of the descendants of the original owners?—No, I am not.

3. You are only connected by marriage?—Yes, that is all.

4. Mrs. Uru is one of the largest owners?—Yes.

5. And you think, as her husband, that it would not be better, speaking from a monetary point of view, for her to get now that the chance is offering the value of this estate, and by the interest that would be got for that estate for her to get a larger income than what she is getting now?—It would be better for her now; but we look upon it from a monetary point of view. We have been waiting these twenty-one years for a rise. We are now just going to get it and you want to deprive us of the rise.

6. Supposing you get the rise, it is not going over the whole Reserve? As you know, a few leases expire this year, more in two or three years, some in ten years, and some in fourteen and fifteen years; so that it will be some time to wait for those expecting a rise?—Yes.

7. Have you considered that point?—No, we have not. We know this: that our leases are falling due, and we are bound to get the benefit of the rise as these leases fall due.

8. In some cases, not in all?—Well, we expect it in all cases. We hold that Greymouth has gone ahead during the last twenty-one years.

9. And who has made it go ahead—the tenants and the Government?—You people have made it go ahead—the industry round about Greymouth did it—the coal-mines.

10. The industrious people round about, and the Government backing them up?—That may be so. Our ancestors gave it to them for a paltry £300, and now they want to take away from us the last bit that we have.

11. We want to give you a good return for it. If we give you fair value of it, you can either get that money invested for you or you can invest it in other land in other parts of the colony, which is likely to increase at a greater rate and to a greater extent than the Greymouth land. Have you considered all those phases of the question?—Some of them we have.

12. Have you considered the phase of investing some of your capital where the unearned increment will increase much more than it has done in Greymouth, and the fact that if you have the occupation of that land you may by occupation be permitted to use some of your capital in stocking it, in fencing it, and bringing it into subjection for the Natives who want to work it? Have you considered that?—No. That question just came before us when we were in Wellington. The question of selling the Greymouth land and for the Public Trustee to purchase land for us with the money was not dealt with at our meeting.

13. Would you be prepared to give that question consideration?—Yes, we will consider that question.

TE MEIHANA examined. (No. 11.)

1. *The Chairman.*] Do you wish to make a statement in regard to the Greymouth Reserve?—Yes. I have nothing further to say, Mr. Chairman and gentlemen, in addition to what Mr. Poynton and Mr. Beare have already said. At our meetings we were strongly against converting the leasehold into freehold; but the question of the Public Trustee getting the money to invest in other lands for us is something new, and we never heard anything about that proposal till we came to Wellington. I think if you could give us time the beneficiaries would consider the matter.

2. *Hon. Mr. Guinness.*] How many beneficiaries are there over twenty-one years of age?—I do not know. Those who live in Greymouth do not receive money until they are twenty-one; they only get it up till they are sixteen years of age.

JOSEPH WILLIAM POYNTON further examined. (No. 12.)

1. *The Chairman.*] Do you wish to add anything to what you have already said?—In regard to the question of the number of beneficiaries which was asked the last witness, I might say that there are not many over twenty-one years of age. There are not as many children as there ought to be. They are increasing in this way: when a Native dies his share is divided amongst about ten beneficiaries. Our pay-sheets do not indicate correctly whether there has been an increase or not, because one man may die and his share would be paid to nine other beneficiaries perhaps. Although the number on our pay-sheet to receive payment would be larger, the number of beneficiaries would not be so large. There are forty-three separate payees altogether who receive the income. I might mention that the impression has been caused that the Greymouth people are particularly selfish in this matter; but we have had the same difficulty in Motueka, where a number of tenants got together. There, lately, we had the same difficulty, and the gross rent is less than 3 per cent. Where a number of tenants get together they naturally support each other.

Approximate Cost of Paper.—Preparation, not given; printing (1,500 copies), £14 14s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1909.

Price 9d.]