

As to aggregation, how can there be any inducement if the land-tax is deducted from the lands and does not apply to rentals?—That is a very great inducement.

The tenant has no concern now with the amount of the tax, or the incidence of the tax—I suppose he would if part of the land-tax was thrown on him?—He might in that case.

Hon. Sir M. Pomare.] Do you say the objection is on account of the tax being imposed on the individual interests?—There is no objection where the interests are defined; but if you were to do that with Native land, you would be adopting a different principle altogether from what is adopted in the assessment of European land.

Would there be any objection to assessment on the individual interests?—It is departing from the principle of assessing the land-tax altogether.

It could be done?—You would have to provide specially for an exemption for each owner.

The position is this: the Native owners are forced into that position—the Native Land Act has put them into that position?—Yes.

Hon. Mr. Ngata: You are talking about vested land?

Hon. Sir M. Pomare.] Yes. They have done that of their own volition and for their own profit?—That is so. What has been done has been done for the benefit of the whole community, so as to get the land utilized.

The Chairman.] And to provide simple machinery for dealing with the land?—Yes.

Hon. Sir M. Pomare.] They are worse off than if they left the land alone?—Would it not meet the case if the land-tax was restricted to 25 per cent. of the rental?

Hon. Mr. Ngata.] That would be the maximum?—Yes.

Hon. Sir M. Pomare.] Would that deal with each individual interest?—I cannot tell you that without going into the matter further. I think a lot of the trouble in connection with the Native lands is the inadequate rental received.

Hon. Sir M. Pomare.] That was the inducement for the land to be taken up?—In some of the recent cases the rental is not adequate. When you consider the valuation placed upon some of the land on the East Coast—

Mr. King (Deputy Native Trustee): I propose dealing with that aspect of the matter particularly.

Mr. Clark: That being so, I will not say anything in regard to that aspect of the matter.

The Chairman: The Committee would be pleased to hear Mr. King.

Mr. H. S. KING, Deputy Native Trustee, made a statement and was examined.

Mr. King: Mr. Chairman and gentlemen, I am appearing before the Committee in the capacity of Deputy Native Trustee. I may say also that I have been authorized by Mr. W. Rawson, East Coast Commissioner, to appear before the Committee to give certain evidence, and the following is the telegram forwarded to me:—

“H. S. King, Native Trust Office, Wellington.

“AUTHORIZE you produce statement prepared by me and other information as you think advisable before Land-tax Committee of House Tuesday next.

“W. RAWSON,

“East Coast Commissioner.”

Well, sir, during the recent sitting of the Taxation Commission, Judge Rawson, in the dual capacity of Native Trustee and of East Coast Trust Commissioner, appeared before it for the purpose of drawing particular attention to the heavy burden the graduated land-tax, assessed in accordance with the provisions of the Finance Act of 1917, is imposing on Native lands, especially the more valuable blocks which are vested in the Native Trustee and the East Coast Commissioner. His remarks to the Commission are summarized in the following correspondence:—

“Native Trust Office, 12th June, 1922.

“Memorandum for the Chairman, Commission of Taxes, Wellington.

“Re *Land-tax on Maori Lands.*

“As promised, I now forward you copies of the figures used by me when addressing the Commission on the above matter.

“My point, of course, was that, owing to the lands being held by a trustee for a Maori community, the tax was assessed as though there was only one owner, whereas there were in fact very many, and in many cases hundreds, of owners. Communistic ownership, though strange to Europeans, is true Maori custom, and the object of placing the legal title in one person was merely to facilitate the leasing of the various blocks.

“W. E. RAWSON,

“Native Trustee and East Coast Commissioner.”

The Judge's remarks to the Commission were as follows:—

“*Land-tax.*—Until the passing of the Finance Act, 1917, Native lands that were leased were liable to land-tax at a flat rate of $\frac{1}{2}$ d. in the pound, a European landowner then paying 1d. in the pound ordinary land-tax. Native lands were not liable to a graduated land-tax, whereas European lands were. The Finance Act, 1917, laid down generally that European lands were liable to a graduated land-tax, the ordinary land-tax being abolished or merged so that there was only one land-tax, and that was graduated. It also made the leased Native lands liable to half the amount of tax payable on European lands, and so the principle of graduation was applied to Native land. This was a sudden and unexpected result of the 1917 legislation. The then Finance Minister (Sir Joseph Ward) gave his assurance to the Maori members of Parliament that the law in regard to tax on Native land