

that steps are taken in each case to promptly bring the parties together, and, if necessary, before the Native Land Court or other tribunal. To do this effectively would necessitate a list being prepared of all private leases of Native land in the King-country.

We instance a case where, some two years ago, a lease expired and improvements valued at over £300 were charged on the land. Nothing has been done with the land, and improvements have nearly all disappeared. In another case a lease expired some three or four years ago. Lessee has taken no steps, but it appears the statutory charge remains, and the Natives wish to use the land, but are deterred by the uncertainty as to the position in regard to the charge. We suggest the charge should lapse if by the end of, say, six months from expiry of the lease the lessee has taken no steps to have the amount of the charge ascertained and to have it enforced. The inspector or go-between could then take steps to see that the land is dealt with.

Our remarks as to lessees in class (2) failing to improve where there is no compensation apply to classes (1) and (3), though not to the same extent. Unless secure of compensation, lessees will not improve or maintain improvements beyond what they can be compelled to do. This involves an economic loss to the State. Compensation should be on the same basis as provided in the leases of vested land—namely, full compensation. It is worth consideration whether the Board should as a condition of confirmation require that private leases should follow the form prescribed for Board leases, *mutatis mutandis*.

(c) RENTS.

So far as the leases of vested land by the Maori Land Board are concerned, there is very little complaint as to the rents. These leases provide, in the event of a renewal, a rental of 5 per cent. of the unimproved value, which appears equitable and to give satisfaction. As to private leases, the grievances are—

- (1) Rentals fixed too high for the whole period of the lease in some cases. There are comparatively few of such complaints.
- (2) The more numerous and substantial complaints are as to the fixed increases of rent for later periods of the leases. The most common instances of this are where the leases provide that for the second half of the term the rent shall be double that for the first half. Other cases are where the rent increases by fixed amounts during periods of seven years or longer, usually ending up with more than double the original rent.

Without the consent of the lessors no relief can be given unless power be given by legislation to review the rents. With consent that can be done now, and it has been done in several cases. Section 5 of the Native Land Amendment Act, 1926, affords an indication of the mind of the Legislature on this point.

The question is one of great importance. We are satisfied that in many cases the lessees cannot carry on under the burden of arbitrarily increased rents, irrespective of value. The position was entirely misconceived in the days when these leases were entered into. The difficulties peculiar to farming King-country lands were not understood, and there have been other unforeseen factors, notably the great increase in the cost of production. The system of fixed increases of rent appears to us in any case to be an unsound one. While recognizing the difficulty of interfering with the terms of a contract, we think that it should be earnestly considered whether some power to review should not be given, even if the lessors do not consent. We go to this length because we are convinced that if some relief be not given much of the leased land will be abandoned, and none of it will be farmed to the best advantage. And improvements will go. In many cases they are already going. Such a position will certainly not be to the advantage of the Natives, still less to that of the State. The principle on which rents should be fixed should be 5 per cent. of the value of the owner's interest in the capital value; but it should not necessarily be fixed on such a principle for twenty-one years. In many cases rent should be reviewed every seven years. There, again, freeholding would solve the difficulty.