

NATIVE TRUSTEE.

203. The Native Trustee Act, 1920, came into operation on the 1st April, 1921, the object being to transfer from the Public Trust Office to a separate office all Maori estates under administration, including all Native reserves established under the West Coast Reserves and other Acts. The Native Trustee is the executive head of the Native Trust Office, which is situated in Wellington, and there are no branch offices. There are five Farm Supervisors, who deal with real estates under administration, report on mortgage investments, and generally supervise farms which are being run by the office. The staff totals thirty-one permanent officers, and from the evidence obtained it appears that the office is over-staffed to the extent of at least one officer in the higher positions.

204. The powers of the Native Trustee are prescribed by section 14 *et seq.* of the Native Trustee Act, 1920, and may be summarized as follow:—

- (a) Except in special cases, all estates of Native persons of unsound mind or Native persons in prisons must be placed under his control for administration. At the direction of the Native Land Court, he may also be entrusted with the estates of minors.
- (b) With the precedent approval of the Governor-General in Council, he may administer special trusts.
- (c) With the approval of the Native Trust Board, he may accept moneys for deposit in the Common Fund.
- (d) He may step in and administer Native property until such time as probate or letters of administration are granted.
- (e) Where any Court or a Judge thereof, or any Native, now or hereafter can appoint a trustee, executor, administrator, agent, or attorney, any such appointment may be made of the Native Trustee if he consents thereto.
- (f) The Native Minister may, by a notice in the *Kahiti*, or the Court may, on the application of the Native Minister, by order declare that the control and management of the land described in such notice or order shall be vested in the Native Trustee. The powers given to control and manage lands are very wide, both from the farming and from the financial point of view.

NOTE.—This is a very wide and arbitrary power, which should not be vested in any one individual. We suggest that the law be amended to provide that the power shall only be exercised by the Court.

- (g) The Native Trustee may subdivide Native reserves and lay off roads, and may advance moneys for this purpose.
- (h) The Native Trust Board may invest moneys held in the Common Fund.

205. Section 11 of the Native Trustee Act provides for the setting-up of an Investment Board, which controls the investment of moneys in the Native Trustee's Account. The Board, of which the Native Minister is the Chairman, consists of seven members, but three members form a quorum. In practice the Board does not assemble in the usual way, as it is stated that there is insufficient business to warrant the holding of formal meetings. The papers are merely minuted from the office to three members, who note their recommendations on the matter under review. We are of opinion that this is not conducive to sound administration—firstly, because, although the Board is a strong one, the quorum is too small; and, secondly, because these proceedings do not permit of discussion by any of the members. **We consider, therefore, that the law should be amended to provide—**

- (1) **That four or five members of the Board shall form a quorum; and**
- (2) **That properly constituted meetings shall be held.**

206. Also, the Board's powers are limited to the investment of moneys in the Native Trustee's Account, and it has certain discretionary powers over the investment of profits, but the latter is of little concern at the present juncture.

207. The Native Trustee has wide powers for developing and farming estates on behalf of the Native owners, and the expenditure in this connection is at his own discretion. We consider that the Investment Board should have some jurisdiction over this branch of the Native Trustee's activities, more particularly as considerable sums of money have been expended on improvements and stock for properties under the control of the Native Trustee. In one estate alone—namely, Aohanga—approximately £85,000 has been expended on improvements and stock on the recommendation of one officer. This is a definite weakness in the present administration and should be remedied at the earliest possible moment, particularly as the Consolidated Fund must ultimately provide for any shortages in the Native Trustee's Account.

208. The Native Trustee, since 1921, has made advances aggregating £556,000 to 507 Natives on the security of farm property, and, generally speaking, the securities appear to be satisfactory, except in the case of some incorporated blocks. This policy appears to be a good one, but care should be taken to see that trust moneys are adequately safeguarded and that all future loans are arranged on table mortgage, providing for their gradual redemption over a period of years. One past weakness has also been that adequate steps were not always taken to see that the moneys advanced were expended on the security.

209. In regard to the development and management of land on behalf of Native owners, as the law stands the Native Minister, or the Court acting upon the application of the Minister, may vest Native land in the Native Trustee for operation or development. The legislation makes it possible to vest non-paying farms in the Native Trustee with a view to their being brought into economic production, and during this process the owners may receive rent or other means of sustenance. **Any payments by way of rent or sustenance should depend wholly upon the results of the Native**