

1881.

NEW ZEALAND.

NATIVE RESERVES, NELSON AND GREYMOUTH

(PAPERS RELATING TO), BY A. MACKAY, WITH STATEMENTS OF RECEIPTS AND EXPENDITURE.

[In continuation of G.—3, 1880.]

Presented to both Houses of the General Assembly by Command of His Excellency.

MR. ALEXANDER MACKAY to the UNDER-SECRETARY, Native Department.

SIR,—

Government Buildings, Nelson, 14th May, 1881

I have the honor to enclose herewith the annual statement of the receipts and expenditure of the Nelson and Greymouth Native Reserve Funds for the financial year ending 31st March, 1881.

Owing to the depreciation that had taken place in the value of all property on the West Coast, the tenants at Greymouth applied for a reduction of their rentals.

A meeting of the leaseholders was convened in June last, and committees formed for the purpose of gathering information respecting the depreciation of the property, the general depression of every branch of trade and labour, and other facts in support of the application for a reduction. Sufficient evidence having been adduced in support of these facts, it was agreed, after consultation with the Natives beneficially interested in the estate, to reduce the rents as a concession to the lessees, who, though they had profited in past years, were then serious losers through the depreciation of the property; and although the remission made might, under the circumstances, appear to them an inadequate one, it was fully as much as the estate could afford, and involved a serious reduction of its income.

The following scale was ultimately agreed on with the consent of the owners, viz., a reduction of 25 per cent. on the rents in the front street, and a proportionate reduction on all the other streets to the north of the Tidal Creek; such reductions to commence from the 1st July, when fresh leases on the aforesaid terms would be granted for twenty-one years.

These reductions would only be granted on the distinct understanding that the sub-tenants received an equitable concession likewise.

A number of fresh leases have already been issued on these terms.

With regard to the reduction of rent, there can be no question that it is the paramount duty of a landlord to help the tenant in times of need. This view of the question is in accordance with the principles laid down by the Roman jurists, who, having no partiality for either landlord or tenant, simply laid down those principles of justice and common-sense which commend themselves to every one. The general principle laid down was that, when serious loss was sustained by the tenant through unforeseen and unpreventable causes, the loss fell on the landlord. The rule, however, was subject to two exceptions: 1. The landlord was not bound to remit the rent if in the previous years there had been exceptionally favourable crops. 2. But if he did remit, and good years followed, he was entitled to go back upon the year of remission, and demand the rent for that year.

These principles are entirely in accord with the views I have always held on the subject, that a system of reciprocity should exist between landlord and tenant: not that one should bear all the burden, or that covenants and contracts should be read in favour of one party only. The tenant makes a covenant, and when it is going against him he asks to be relieved. That can hardly be considered an equitable view of the question, without he is also willing to reciprocate when his turn comes.

It has been the practice on various occasions to blame the altered condition in the prosperity of Greymouth to the heavy rents charged by the Native Trust; but I would submit that it was not the rents payable to the Trust that formed the heaviest burden, nor was the cause of the depression attributable to these circumstances.

The depression was produced in a great measure by the falling-off in the yield of gold and the consequent decrease of the mining population, the general stagnation of trade, and the failure of many gold-mining and coal-mining ventures, in which the inhabitants had invested a large proportion of their capital. These are the most apparent causes, but there are others which have been quite as powerful in contributing to the pressure. It is a well-known fact that the credit-system had been extended through the country to a dangerous extent, and the competition for custom amongst business people was so great that the question of security was almost lost sight of. The banks also freely advanced

money Every one foresaw that this unwholesome system of credit must ultimately have worked its end. It might have been pulled up by degrees without occasioning any great pressure, but the opposite happened. The banks suddenly determined to change the system, and the result was the severe financial depression that ensued, which was further increased by the gradual cessation of the public works expenditure.

My memorandum of February last on the Native Reserves Bill of last session, referred to me for remark, will have apprised you of the necessity that several material alterations and additions should be made in it before it is allowed to become law. The present agitation in Ireland having been the means of bringing the condition of the land question there, with all its attendant evils, prominently before the public, it behoves us to avoid adopting any of the principles that tend to place the tenant in such an unsatisfactory position as now obtains in that country. I allude to the insecure nature of the tenure, and the unsatisfactory mode of procedure the Act provides for the administration of the property. Under clause 13 the Native Reserves Trustee is barred by the provisions of "The Maori Real Estate Management Act, 1867" (to which his powers are made subject) from issuing a lease for a longer period than *one year* without the consent of a Judge of the Supreme Court or the Native Land Court; and, to make matters more complex, it is further provided that all leases shall be submitted to public auction.

Fixity of tenure and fair rents, with a recognition of tenants' improvements, are the measures now proposed in England by liberal-minded statesmen as a remedy for the present unsatisfactory condition of the land tenure in Ireland. The advocacy of these principles in a country where a strong bias exists in favour of landed proprietors and the rights of property goes far towards the possibility of achieving a reformation in the present relation between landlord and tenant, as it embodies a principle which, before it expends itself, will probably revolutionize the land tenure of Great Britain, and finally dispel that old feudal feeling which disposes landowners to look upon tenants as mere retainers or dependents.

The principle of rack-renting, or fixing rents by public competition, proposed by the Act, is a very objectionable procedure, and one that will tend to discourage the occupation and improvement of the property, as it embodies all the rules of extravagant rents, insecurity of tenure, and ruthless appropriation of tenants' improvements.

Leases should be granted as far as possible to encourage the full application of capital, and at the same time to avoid the deterioration of the property at the expiration of the term. There can be no question that security of possession to the tenant is indispensable to the improvement of the property, as it is clear that no person in his senses would enter upon an extensive system of improvements unless he held a certain permanency of tenure for a sufficiently continued length of occupation to enable him to repay himself for his outlay, otherwise he would be ruined if he had no claim for compensation at the end of his lease.

I have pointed out on several occasions that the general principles upon which the Native reserve property should be administered are that the lands should be let with a view to secure an immediate return at the best improved rent which can reasonably be obtained at the time; the sufficiency of rent to be governed by the consideration on whom the onus of repairs or the cost of improvements is thrown. The length of lease ought to vary with the description of property proposed to be placed on the ground, or the uses to which it is to be devoted. For instance, a twenty-one years' lease should be granted for arable or pastoral purposes, and for building purposes a lease for twenty years, renewable for two further periods of twenty years, a reassessment of the rent to be made at each renewal; the tenant to have the right to call in the aid of a neutral authority to arbitrate in cases where a difference of opinion existed as to the fairness of the rent imposed.

Some such terms might serve as a general guide, subject to such variations as local circumstances might require, but many cases will have to be dealt with separately; and it will be especially necessary in dealing with all existing arrangements to take each case on its merits, and treat it as fairness and equity may require.

Having already drawn attention in my memorandum to the many other points that require amendment in the aforesaid Bill, there is no necessity for my dealing further with the question, than to remark that it would be more preferable to leave matters alone under the existing Acts, although imperfections may exist, than to pass an unsuitable measure, after the many attempts that have been made during the last ten years to legislate on the subject.

The Under-Secretary, Native Department,
Wellington.

I have, &c.,
ALEXANDER MACKAY,
Native Commissioner.

Enclosure No. 1.

STATEMENT of the Receipts and Expenditure of the Nelson Native Reserve Fund, from the 1st April, 1880, to the 31st March, 1881.

Receipts.

	£	s.	d.	£	s.	d.
To Balance to credit, 1st April, 1880				11	19	7
Rents collected at—						
Nelson	583	0	6	
Motueka	.	.	751	13	9	
Westport	..	.	81	2	6	
				1,415	16	9
				£1,427	16	4

Expenditure.

				£	s.	d.	£	s.	d.
By Provisions and clothing for Natives	...	...	...	242	10	3			
Passages	..	...	...	175	11	2			
Buildings, &c.	...	...	...	31	1	2			
Implements and harness	..	...	...	53	10	0			
Allowance out of rents	..	...	...	187	0	0			
Miscellaneous expenses	..	..	..	152	16	11			
Total expenditure out of imprests	...	...	...				842	9	6
Amounts paid by Public Trustee,—									
Commissioner's salary, twelve months	...	...	...	210	0	0			
Secretary's	"	"	..	46	5	0			
Interpreter's	"	"	..	37	0	0			
Medical Officer, Motueka, twelve months	...	...	...	50	0	0			
" Wairau	"	..	...	50	0	0			
" Queen Charlotte Sound, twelve months...	..	..	..	50	0	0			
" Nelson, nine months...	..	..	..	37	10	0			
Schoolmaster, Wairau, twelve months	...	...	..	55	10	0			
							536	5	0
Total expenditure	...	...	..				1,378	14	6
Balance to credit	..	...	...			..	49	1	10
							<u>£1,427</u>	<u>16</u>	<u>4</u>

Enclosure No. 2.

STATEMENT of the Receipts and Expenditure of the Greymouth Native Reserve Fund, from the 1st April, 1880, to the 31st March, 1881.

Receipts.

				£	s.	d.	£	s.	d.
To Balance to credit of fund, 1st April, 1880	...	...	...				439	0	8
Rents collected at—									
Greymouth	...	...	...	3,405	7	2			
Hokitika	...	..	...	315	0	0			
							3,720	7	2
Sale of land, Totara Flat	..	..	..				102	0	0
							<u>£4,261</u>	<u>7</u>	<u>10</u>

Expenditure.

				£	s.	d.	£	s.	d.
Amounts paid to Natives—									
By Allowances out of rents	...	...	...	1,970	0	0			
Buildings and materials	..	...	..	153	17	6			
Miscellaneous expenses..	..	...	...	655	12	0			
Passages, &c.	..	...	..	128	19	0			
Funeral expenses	...	..	..	70	16	6			
							2,979	5	0
Sundries	...	..	...	136	12	6			
Protective works, Arahura	..	..	..	200	0	0			
Travelling expenses	..	...	..	61	9	0			
Commission on collecting rents	..	...	..	31	12	9			
							429	14	3
Total expenditure out of imprests	..	...	..			...	3,408	19	3
Amounts paid by Public Trustee—									
Commissioner's salary, twelve months	...	...	...	210	0	0			
Schoolmaster's salary, nine months	..	..	...	54	7	6			
							264	7	6
Total expenditure...	...	...	...			..	3,673	6	9
Balance to credit	..	..	...			..	588	1	1
							<u>£4,261</u>	<u>7</u>	<u>10</u>

