

a very hard matter to do the same for taxation purposes. Each separate lessee is entered upon the rolls for land-tax assessments, so it should not cause any unusual amount of work to also enter the separate holdings in addition to the separate lessees. It has also been suggested that an equitable way of assessing the tax would be to base it upon the value of each individual owner's share in any particular block.

In conclusion, it is desired to specifically draw the attention of the Committee to the following points as far as lands under the control of the Native Trustee and the East Coast Commissioner are affected by the graduated land-tax imposed by the Finance Act, 1917:—

(1.) When the graduated tax was provided for by the Act of 1917 the Maori members of Parliament were given an assurance by a Minister of the Crown that it would not affect Native lands, and as regards existing taxation the position would remain unchanged.

(2.) With a view to aiding the speedy opening-up of their lands Maoris in the past consented to the vesting of large and valuable blocks in trustees. This now acts as a boomerang, in that the Trustee, although only administering the land for the benefit of the actual owners, is looked upon for taxing purposes as the sole owner, whereas in actual fact there are in some cases hundreds of owners.

(3.) The statute law recognises and authorizes the rentals for the lands to be fixed by a system which is undoubtedly unfair, whereas the tax is assessed upon an entirely different basis.

(4.) The statute law prevents the owners from partitioning their lands, and thus endeavouring to obtain some measure of relief from the heavy liability they have to meet in the annual payment of tax.

(5.) The present operation of the graduated tax is so harsh that it is conducive to allowing Native lands to be left idle and unproductive, so as to avoid payment of tax.

That concludes my statement, Mr. Chairman.

*Hon. Mr. Ngata* (to Mr. King).] Do you know whether the tax is paid on the unused portion of a block? Take Mangatu, for instance—portions of that block are leased and portions are not leased?—As far as I understand the position, it is only on those portions that are leased that the tax is paid—that is, land that is occupied and used by other than owners.

It is one title?—That is so.

*Mr. Clark*: It is only the occupied land that is assessed.

*Hon. Mr. Ngata* (to Mr. Clark).] Although they form part of the one title?

*Mr. Clark*: That does not make any difference.

*Hon. Mr. Ngata*.] Then your assessment is on the tenancy after all?

*Mr. Clark*: Yes.

*The Chairman*.] In other words, the whole of the Native land is assessable for land-tax if it is leased to some person other than the Native owner?

*Mr. Clark*: That is so.

*Hon. Mr. Ngata*: It all depends upon what you mean by "Native land."

*The Chairman* (to Mr. Clark).] That is the point we would like some further information upon. The term has been used by Mr. King that the land-tax is levied on only such Native land as was leased, and that when the lease expired the Native owners paid no tax. The point I want to clear up is this: that where the title of the Native land is in the name of the Native owner, and used by that owner, does not that owner pay the land-tax?

*Mr. Clark*: Only where the Native is Europeanized.

*Hon. Sir M. Pomare*.] The single owner pays?

*Mr. Clark*: No, he should not.

*The Chairman*.] I used the expression "Native land occupied by other than the Native owner": if that land was leased to another Native, I presume that that land would pay land-tax?

*Mr. Clark*: Yes; I should like to read subsection (1) of section 26 of the Finance Act, 1917, in regard to the land-tax chargeable on Native land, as follows: "No Native shall be chargeable with land-tax in respect of his interest in Native land unless the land is, as to his interest therein, in the occupation of any person other than the Native owner or a trustee for him." That provides that the Native occupying his own land is not liable for any land-tax.

*Hon. Mr. Ngata*.] Does not that depend on the definition of a "Native"—a half-caste is not a Native under the land-tax?

*Mr. Clark*: There is a slight difference between our definition and that in the Native Land Act. A half-caste is not a Native under the Finance Act. Under the Land and Income Tax Act, 1916, a Native is defined as follows: "'Native' means a person who is a Native within the meaning and for the purposes of the Native Land Act, 1909, save that a half-caste, within the meaning of that Act, shall not be deemed to be a Native."

*The Chairman*.] I would like to ask you, Mr. Clark, a question in regard to the matter of taxation which will apply to all forms of taxation. What is your opinion in regard to the proposal that the moment a person takes up a piece of land on lease from another, even if the lease were for a period of twenty-one years—what is your opinion with regard to that lessee paying the land-tax on the whole value of the land right through the period to the end of his lease? I wonder whether you feel disposed to express an opinion?

*Mr. Clark*: I do not think I could, because it is hardly a matter for me to answer.

*Hon. Sir W. H. Herries*.] You tax on the value of the land and not on the value of the lease: as the lease gets near its end the Native interest predominates—you do not make any difference in the tax?

*Mr. Clark*: Well, that is a fault in the valuation, and in the letter that was signed by the Hon. Mr. Myers was the point I was raising.