

*The Chairman.*] But the trouble arises in this way: in every revaluation that is made of the property during the currency of the lease you get nearer to the determination of the lease, which shows the Maori owner's interest as increasing in the lease, whereas the lessee's interest is diminishing all the time: the consequence is the lessee is paying less land-tax as time goes on, and the owner of the land is assessed with a larger proportion, although his rent from the land remains stationary?

*Mr. Clark:* There appears to be very few cases of that description.

*Hon. Sir W. H. Herries.*] That is a matter for the Valuation Department—that has nothing to do with the Taxation Department?

*Mr. Clark:* No.

*Hon. Mr. Ngata* (to Mr. King).] In Greymouth there are portions of the trust not leased, or, if leased, they are leased at peppercorn rentals?—That is so.

Are the value of those portions taken in in the assessment of the tax?—That is so. They are leased at peppercorn rentals.

It is the greatest value of the Greymouth reserves that is taken for taxation purposes, irrespective of what are revenue-producing and what are not?—That is so, with the exception of a few reserves.

Some of them are leased to Churches, and so on?—Yes, some of them are leased to the Churches at peppercorn rentals.

Mr. R. N. JONES, Under-Secretary, Native Department, examined.

*The Chairman.*] Have you anything to add, Mr. Jones, in your capacity as Under-Secretary of the Native Department?—Perhaps I could tell you the results so far as the Boards were concerned. Before doing so, however, I would like to say that I have always found the officers of the Taxation Department very good to get on with. Sometimes it has taken a good bit to get them moving, but once we did so we found them very good. I would like to say that when I was in charge of the Gisborne district I found that they charged us too much taxation, but eventually they refunded the extra money paid.

*Hon. Mr. Ngata.*] Why did they do that?—Because we pointed out there were separate trusts, and they were charging the Board as being one body. It was at that time we raised the question as to there being separate trusts, and, fortunately, the Solicitor-General agreed with us. With regard to the question of the present taxation, I desire to say that it is a real grievance. I would like to say that I gave the Registrars instructions to furnish me with returns showing what was the land-tax paid in 1914 and the land-tax paid in 1921, in order to show the increase. It is, however, quite possible in a few cases that the Registrars may have misunderstood the instructions, and included in the 1922 returns one or two blocks that were not leased in 1914. I hardly think that that would be so. In 1914 the North Island Boards paid in land-tax £1,068 6s. 10d., and now they are paying £6,668 2s. 6d., an increase of £5,599 15s. 8d., representing an increase of 540 per cent. That shows how the Natives are affected.

*The Chairman.*] Have you got the relative set-off against that—that is, the amount of rent? You are giving us the amount of taxation?—The rents have not increased.

Well, the amounts received by each Board against which this taxation is paid?—I have not got that.

That is the point we want to ascertain in order to make the information of value to us?—It never increased.

You can furnish that information?—Yes.

*Hon. Sir W. H. Herries.*] Will it be in your report?—The amount of the annual rental would not be there.

Not in the accounts of each Board?—No, but I could get it for you.

*The Chairman.*] You are giving us the increased taxation for those respective Boards: for this to be of real interest for the purposes of this Committee we would want to know the rents?—I have all that, but I did not think it was necessary to take it that way. I may say that I have here a return showing the names of the various blocks [produced].

In view of the statement made by Mr. Clark, and in view of the prayer of the petitioners, it is very important for us to have in one column the amount of rent paid by those respective Boards, and the amount of taxation in another?—We can give you those particulars.

Would there not be some very serious departmental difficulty in arranging those lists and making separate assessments?—None whatever, so far as the Boards are concerned.

You have a block of land in which a large number of Natives are interested: in your own report you refer to the Ohotu Block, which has six hundred owners?—That is so. That is only a matter of arithmetic—that is to say, if they are getting £1,200 they cannot get more than £2 apiece.

Not necessarily, because they might have relative interests—shares, and different proportions of values?—That is making separate trusts. We can easily inform the Taxation Department where a man owns more than a certain area of the particular block in question.

It seems to me that you have to have tens of thousands of records, because all the Natives may have interests in a good many other blocks—a Native might have an interest in the Ohotu Block, and he might have interests in other blocks: for instance, if a Native has an interest in a block on the East Coast and has an interest in another block elsewhere he is assessed on the total?—I was speaking of each particular block. It is evident to me that a tax of 25 per cent. would be an injustice to the Natives.

*Hon. Sir W. H. Herries.*] Did you not agree to the 25 per cent.?—No.

What do you think it should be?—I think it should be 10 per cent. at the outside; and if I could get it I would have it at 7 per cent.

*The Chairman:* You have here a report made by Mr. Rawson in which he stated to the Taxation Committee that the tax should be 33½ per cent.