

*Mr. King*: He modified that view to 25 per cent. when submitting the draft legislation.

*The Chairman*: It would appear that two important officers of the Department are in conflict.

*Mr. Jones*: If you work the matter out you will find that it would be unfair in some cases. I may say that I am concerned with the small man.

*The Chairman* (to *Mr. Jones*).] What is your idea with respect to the last proposal made by the petitioners, where they suggest that the annual rent revenue should be regarded as income and be made subject to income-tax instead of a tax upon the value of the land itself?—There would be no great injustice in that, because it would be in the interests of the small man.

Would it not work out at more than 10 per cent., and in some cases more than, say, 25 per cent.?—No.

In some cases the land-tax goes up to 8s. odd in the pound, which is close on 50 per cent.?—I do not think you would find it would go up to anything like that. At any rate, that is my suggestion. If you were to work it out on the 25 per cent. basis the Taxation Department would say that it would not be fair.

You realize that it is not proposed to pay 25 per cent., but it is proposed that in the assessment of the land-tax the total tax shall not, in any one block, exceed 25 per cent.?—I have no objection to that if you take it out of the tenant.

It is implied by your suggestion that the Taxation Department is asking too much, in that it is asking for 25 per cent. of the total rents received. The Taxation Department is not asking for that, but asks in any assessment it makes for land-tax on those blocks that it shall not exceed in any case 25 per cent. of the total rents received by the Natives: that means, in many cases of a small amount, it does not come to that—it would be very much less?—In all these cases I have here the tax has increased by 100 per cent. in a very short time, and that means you would eventually take 25 per cent. of the rent on every occasion. I do not see how it will become less.

In your reply to the petition you state “These are certainly isolated cases, but it shows what is possible under the present system”?—That is so.

*Hon. Sir W. H. Herries*.] Perhaps *Mr. Jones* and *Mr. King* could look into the question of the 25 per cent. and work it out and let us know what it comes to?—Very well.

*Hon. Mr. Ngata*.] Where the leases are from a Maori lessor to a private tenant and not under some Board or trustee, there is no body that can act for the Natives in the assessment of the land-tax values?—No, the tenant simply deducts it and that is the end of it.

What area of Native land is leased, approximately?—That will be shown in the returns with the annual report. I have not got that information with me.

Hon. Mr. NGATA made a statement.

*The Chairman*: I understand you wish to make a few remarks, *Mr. Ngata*?

*Hon. Mr. Ngata*: Yes, sir. I would like to place on record a very short statement as to the position of the Maori members in regard to this question. It was in 1917 that the alteration was made in the incidence of this tax. I was then requested to put the question to *Sir Joseph Ward*, who was then Minister of Finance, on the floor of the House when the Bill was in Committee, and I then asked him as to how the Bill affected the taxation of Native lands. *Sir Joseph Ward* gave us the assurance that there was no alteration in the law. There is no record of that in *Hansard*, because the Bill was in Committee at the time. Later on, however, when the Bill went to the Legislative Council, *Sir Francis Bell* made a statement, which is recorded in *Hansard*, Volume 179, page 940, and this is what he said: “The Act in most of its provisions is a repetition of provisions which already exist in our statute-book. All the provisions, for instance, relating to the taxation on aggregation of land, all the provisions relating to the taxation of absentees, all the provisions relating to the taxation in a particular method of Native land, are simply copies into this Act from the existing Acts relating to the subject matters.” Now, with the assurance from the Minister of Finance and with the assurance of the Minister in another place we were satisfied that the Government did not intend in 1917 to alter the law. As a matter of fact I do not think that either the Minister of Finance or the Commissioner of Taxes at the time appreciated the really fundamental change that had been brought about by the merging of the ordinary with the graduated land-tax in the establishment of one graduation. I do not think that it was realized until 1920. It was in 1920 that we made the first representations to *Sir William Herries*, as Native Minister, to look into the matter. At that time most serious complaints had been made by the East Coast Land Commissioner, who was the first man to realize the position of Mangatu and other blocks. I would like to have that placed on record, as otherwise it might be thought that the Native members were asleep and not giving their attention to this matter. I would also like to add that this petition was prepared at a great Native meeting at Waitangi in the beginning of April. The whole matter had been agitating the Maoris for some months prior to that, and it was decided by the Native members to bring it up at the Waitangi meeting, and get a representative expression of opinion from all the Maoris there.

*Mr. T. Henare*: I also brought the matter under the notice of the Prime Minister.

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