

- (4) That the revenue derived from Native lands heretofore purchased and settled be credited to Territorial revenue :
- (5) That Native lands, whether already settled or still on hand, be deemed to be ordinary Crown lands, subject to all the provisions of the Land Act, 1924 :
- (6) That the loan capital of the Native Land Settlement Account be deemed to be part of the national development expenditure of the Dominion, the interest on which must be met from general revenue :
- (7) That the proceeds derived from the sale of Native land heretofore purchased be credited to the Land for Settlements Account, as in the case of ordinary Crown lands, so that they would thus be available for the acquisition of further land, either European or otherwise :
- (8) That the law be amended to provide for the abolition of " thirds " on Native land heretofore purchased.

Note.—" Thirds " are not payable in respect of land purchased out of the Land for Settlements Account for settlement purposes, and there is no reason why land purchased from Natives should be in a different category.

233. The foregoing recommendations would result in the losses already incurred, or which might be incurred in the future, being met from the Consolidated Fund, which would, however, obtain the benefit of rentals at present credited to the Native Land Settlement Account. **The main point, however, is in respect to future transactions, and, as the Department of Lands and Survey has the necessary machinery to deal with the acquisition of lands on a large scale, we see no reason why a separate organization should remain in existence.** It may, however, be necessary for the Lands and Survey Department to avail itself of the machinery of the Native Department for negotiating purchases and for the payment of purchase-money in approved cases to the Maori owners. This, however, is merely a matter of departmental organization which should present no difficulty.

234. *Survey Liens*.—The Native Land Settlement Account is also concerned with expenditure on the survey of Native lands, and as at the 31st March, 1931, the amount outstanding on this account was as follows :—

Survey liens :—	£	£
Principal	196,757	
Interest	98,337	
	-----	295,094
Surveys in progress	17,645
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		<u>£312,739</u>

235. As a result of the recent consolidation scheme investigation conducted by the Native Minister in consultation with the Department of Lands and Survey, the following position was agreed upon :—

Liens affected by the Consolidation schemes then under review	115,371
Less amount satisfied by transferring Native lands to the Crown (for the most part non-revenue bearing)	33,359

Leaving to be written-off as follows—	£
Principal	44,153
Interest thereon (total)	37,859

	<u>£82,012</u>

236. Briefly stated, this position has arisen by reason of defects in the 1909 legislation, which prescribed the procedure as between the Natives who desired title subdivisions, the Courts which authorized the surveys, and the Lands and Survey Department, which carried out the work either by staff or private surveyors. Under this system the position was dominated by the desire of the Natives to define their titles without sufficient attention being paid to the questions of (1) necessity for such action, (2) security by way of deposits against survey costs, and (3) the economic capacity of the land.

237. While it is stated that the Court does not now in practice order surveys the costs of which are not likely to be paid, the original provision still remains on the statute-book, **and we recommend that the law be amended to provide that surveys shall not in any case be carried out unless the Native owners first lodge a deposit sufficient to cover the estimated cost of the work.** It is certain that a large proportion of the amount expended in the past will require to be written off, but this apparently cannot be avoided. An undesirable feature is that the whole of the amount has been provided from loan-money, consequently interest and sinking fund must remain a charge on general taxation.

238. *General*.—Another phase of the activities of the Department is the development of Native land. This also is financed from the Native Land Settlement Account, but as at the 31st March, 1931, the amount expended was £64,900, while loans to Native settlers totalled £32,900, or a total of £97,800. This is relatively a new activity, and it is too early to determine whether losses will result. The statutory