

The Committee feels that efforts should be made by the Departments concerned to reach an agreement as to the accountancy practice to be adopted in the cases referred to.

With regard to that portion of the report dealing with irregularities in the Native Land Settlement administration, the Committee is of the opinion that,—

1. In view of the great expansion of its activities, especially in the execution of the policy of developing Native land, the administrative machinery of the Native Department has not been sufficient to keep pace therewith or to establish efficient control over the details of expenditure.

2. That if the matters specifically indicated in the report of the Controller and Auditor-General to Parliament as arising in the Rotorua and East Coast districts are the only issues for investigation and consideration the Committee is satisfied with the view of the Controller and Auditor-General that the necessary investigations can be most efficiently carried out by his officers. But, in view of the great importance to the Maori race and to the Dominion of the maintenance of the policy of assisting Maoris to develop and farm their lands, and the danger that may arise at this juncture from a misunderstanding of the difficulties they labour under, or of their methods and customs in relation to the organization of their labour and activities, and in view also of the disquiet in the minds of the taxpayers of the country, the Committee is of the opinion that the scope of any inquiry should be much wider than those specific issues, and therefore recommends that a Commission be appointed to investigate not only the matters arising out of the reports of the Controller and Auditor-General, but the whole of the administration of Native Affairs, especially in regard to the development of Native land and the administration of the estates of the Maori people.

3. The Committee hopes that the steps already taken and in process of execution by the Government will establish this Department of State on a satisfactory and efficient basis.

These steps are :—

- (a) The establishment of the Native Land Development Board.
- (b) The amalgamation of control of Native Department and Native Trustee, and the appointment of a new departmental head to reorganize the whole of the joint activities.
- (c) The decision to rescind various statutory powers in the hands of the Native Minister, which are now transferred to the Development Board already referred to.

J. A. NASH, Chairman.

14th December, 1933.