

trustee (Mr. Wi Pere) and, provisionally, by the Board. Although these deeds set out the terms of management to be observed, they were fatally incomplete in one respect, and, notwithstanding the repeated urgent remonstrances in the matter addressed by the Board to the trustees, they remain so to the present time. Attached to the respective deeds are schedules in blank, in which it was proposed to set out the names of the blocks, their acreage and location, and the reserves to be made in them by the trustees for the Native owners; such reserves to be replaced by unencumbered lands in other blocks, of at least equal value, which the trustees undertook to have brought into the trust. These particulars have not yet been inserted in the schedules, which are still in blank, nor have other unencumbered lands of equal value to the reserves required been allocated to the Board. It was further provided that until these schedules were completed the deeds should be inoperative. The Board have repeatedly urged upon the trustees, both by personal interview and by written communication, the urgent necessity of prompt completion of the schedules, but without avail.

Failing to obtain an agreement regarding the whole of the blocks, the Board approached the trustees with the view of obtaining separate deeds giving it power to deal with the Paremata, Mangaheia, and Maraetaha No. 2 Blocks (included in the specific securities) as the time for realising them was most opportune. The trustees declined, in the meantime, to agree to the sale of Mangaheia, but consented to the sale of 3,000 acres of Paremata and to the leasing of the remainder of the block, the whole of which is admirably adapted for close settlement. The sale of the 3,000 acres should go far towards liquidating the bank's claim on the property, and would enable the Board to conserve a considerable portion of the remainder for the benefit of the Native owners. The trustees also consented to the sale of the whole of Maraetaha No. 2. This property, though not suitable for subdivision into small areas, is of considerable value, and should realise to the advantage of the owners. The necessary deeds in connection with Paremata and Maraetaha were executed by the trustees on the 20th instant, and by the Board on the 24th, and as the surveys were well advanced the Board then thought themselves in a position to put the properties on the market, and it was their intention to advertise the sale for January next. It was therefore with a feeling of keen disappointment that the Board learned, on application being made to register the deeds relating to the properties, that Mr. W. L. Rees, the solicitor for the trustees, had on the 21st instant lodged a caveat against both the Paremata and Maraetaha No. 2 Blocks to protect his claim against the trustees for costs, charges, and expenses. By this action the position is again completely blocked.

Although the preamble of the Act sets out that it was passed for the purpose of facilitating the dealing with the trust lands, and for the prevention of all future litigation in respect of the titles of the same and other matters dealt with in the Act, yet the Board has been unable to prevent legal charges in connection therewith steadily increasing through the invidious position in which they are placed by the trustees.

The members of the Board have, moreover, so acutely felt their extremely unsatisfactory position that they had an amending Bill drafted, the principal object of which was to remedy the impracticability of section 12 of the Act. A copy of the Bill has already been forwarded to the Government for consideration.

In the circumstances the Board respectfully ask that such relief may be afforded as may be fit. Any amendment of the Act to this end should, the Board respectfully submit, provide, *inter alia*, for: (1) the repeal of section 12; (2) the appointment of a Commissioner, having the power of a Judge of the Native Land Court, charged with the duty of making the inquiries and orders directed by the Act; (3) the repeal of section 10, and that it be enacted in lieu thereof that the Commissioner shall, on his own initiative, make the inquiries referred to therein; (4) the bringing into the trust of Native lands other than those secured to the bank for the purpose of enabling the Board to raise temporary loans to discharge the liens and charges created by decrees of the Validation Court subsequently to the mortgages to the bank which, as the Board is at present advised, would take precedence over any fresh securities that the Board could now execute for the purpose of subdividing and selling the properties or for other purposes. Such temporary loans to be also available for the general purposes of the Board and, on realisation of the properties for the relief of which they are obtained, to be paid off out of the proceeds of such realisation.

The Board do not see how any satisfactory finance can be arranged in the absence of borrowing-powers such as those indicated in the latter part of the preceding paragraph. There is absolutely no borrowing margin in the principal security, and in their present comparatively unproductive state there is not sufficient margin in the specific securities unless supported by other properties. The lands in Class 3 are of large area, but, as by far the larger part are unimproved, they are of comparatively small value for loan purposes. The trustees inform the Board that other very large areas of land belonging practically to the same Native owners as those beneficially interested in the trust lands are also held in trust, and that the trustees and the beneficiaries of these lands have for a considerable time been anxious to include them in the general trust, but until the passing of the Act were unable to do so for want of legal power. The area of these lands is stated at 135,000 acres; and if brought in for the general purposes of the trust and to replace the areas which, as stated above, the trustees wish to have reserved out of the principal and specific securities for the Native owners, the aggregate value of the lands should then be sufficient to admit of the finance of the trust being put on a proper basis. If the third amendment suggested above were adopted, it would be within the scope of the Commissioner's duty to take the necessary steps for bringing in these further areas and to safeguard the interests of the beneficiaries. At the present time, however, whatever the value of any of the trust lands, or of those proposed to be brought in, the failure of the trustees to effect any agreement for the management of the trust effectually precludes the Board from exercising any of their borrowing-powers, except to the limited extent provided in the separate agreements in regard to the Paremata and Maraetaha Blocks.