

1905.

NEW ZEALAND.

EAST COAST NATIVE TRUST LANDS BOARD

(REPORT, BALANCE-SHEET, AND STATEMENT OF ACCOUNTS OF THE).

Presented to both Houses of the General Assembly in pursuance of Section 13 of "The East Coast Native Trust Lands Act, 1902."

REPORT BY THE EAST COAST NATIVE TRUST LANDS BOARD.

SIR,—

Gisborne, 24th August, 1905.

The Board has the honour to submit the following report of its transactions, together with the accompanying statement of its accounts made up to the 31st ultimo, and schedules of the lands vested in the Board, showing the manner in which they have been dealt with.

The Board has to report having accomplished the more immediate purpose for which it was appointed—namely, the realisation of the securities and the payment of the debt owing to the Bank of New Zealand on the East Coast Native Trust lands, and it desires to present at this time a *résumé* of the whole of the proceedings in connection with the management of these lands since the date when the Board's Act came into operation—namely, the 31st August, 1902.

The first ascertainment made by the accountants appointed under the Act showed a total amount of £156,383 7s. 6d. due to the bank on all accounts at the 30th September, 1902, and the second ascertainment, made as at the 30th January, 1904, showed that at that date the amount had increased to £159,029 2s. 4d., as security for the repayment of which the bank held lands aggregating 107,832 acres 2 roods 6 perches, of a then estimated value of £164,268, and live-stock valued at £20,000.

Through delays connected with its appointment the Board was not gazetted till the 19th March, 1903, and owing to these delays and to protracted negotiations between the Board and the Trustees as to the course the realisation of the bank securities should take it was not until the 30th January, 1904, that the Board was able to effect the first realisation. On that date it sold by auction 4,614 acres 1 rood, being part of the subdivision of the Paremata Estate, for £24,784 0s. 11d., and the whole of Section 4 of the Maraetaha No. 2 Block (Te Puru), comprising 3,991 acres 3 roods, in one lot for £15,967. A small security, Whataupoko 67D, was sold by auction in June, 1904, for £60, and in August a private sale was effected of Okahatiu No. 2 Block, comprising 15,190 acres, for £26,250. A satisfactory sale of live-stock on this block was made at the same time.

Up to the 23rd August, 1904, the total amount paid by the Board to the bank in discharge of the debt was £64,177 19s., which, with proceeds of live-stock and produce, reduced the debt to £76,500. By this time the term during which the bank's power of sale as mortgagee was suspended by the Act had nearly expired, and therefore the Board approached the bank with the view of having the term extended in order that the realisation might be continued to the best advantage. The bank met the Board in the most liberal spirit, and extended the term to the 31st March, 1906. At this time the Board renewed an application it had made immediately after its appointment, for a substantial concession of the amount of the debt, and also for a reduction in the rate of interest, and on these points also the bank met the Board by rebating a considerable sum off the principal and by reducing the interest-charges to minimum rates as from the date of the Board's first application. An arrangement was also come to whereby the bank, while allowing the Board the utmost latitude in regard to future realisation, offered further liberal concessions in the event of the realisation being so far advanced by the 31st March, 1905, as to give assurance of final payment of the debt shortly after that date. The Board at once took effective measures to secure for the Trust estate the advantages derivable by it under this arrangement, and on the 25th February last held a final realisation sale by auction at which it disposed of the following securities:—

Block.	Area.			Price.		
	A.	R.	P.	£	s.	d.
Sections in Matawhero Nos. 1 and 5 ...	199	3	36	2,520	10	8
Moutere No. 2, Section 1 ...	194	3	0	438	3	9
Tawapata North No. 1, Subdivision No. 1A ...	2,096	0	0	3,144	0	0
Tawapata North No. 2, Subdivision No. 1 ...	1,995	0	27	3,177	3	0
Part Pakowhai ...	4,638	3	13	27,253	2	6