

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

The sale was a success, and on its conclusion the Board was in a position to inform the bank that on settlement by the purchasers the Board would be able to pay off the whole amount of the debt, and in June last the amount was paid to the bank.

The gross proceeds of sales of the bank securities and loans obtained on new mortgages on these securities amount to £126,772 3s. 3d., of which the Board paid the bank £117,416 12s. 8d. The difference between this sum and the total debt to the bank is made up of profits on the working of those blocks which were in the occupation of the bank as sheep and cattle stations, the proceeds of sale of the live-stock on the various stations which were sold as the properties were disposed of, and the rebates off the debt previously mentioned.

The Board desires to place on record its appreciation of the manner in which the bank has throughout facilitated the working of the Board, and especially in assisting in the realisation of the various securities in the best interests of the Trust.

Mortgage Advances.—In some of the specific securities there was both a present and a prospective margin of value over liability which enabled the Board to raise on fresh mortgage sufficient to pay off the bank debt, and, in the case of the Mangaheia 2D Block, to spend a large sum in improving the property by drainage. The blocks so dealt with are :—

Block.	Area.			Mortgage. £	Present Value. £
	A.	R.	P.		
Mangaheia No. 2D	5,997	0	0	11,000	35,400
Whangawehi No. 1A	980	0	0	1,000	2,500
Tawapata South, Subdivision 1	4,376	2	5	6,000	12,000

And in the Paremata Block, after selling the freehold of 4,614 acres 1 rood, the Board reserved the remainder of the block, 2,498 acres 3 roods 21 perches (present value £7,800), for lease, and on part of this it borrowed £3,000 to complete the amount necessary to pay off the bank's claim. All these properties are under lease, and sinking funds will be established which will insure the blocks at a future date being freed of all encumbrances. The income from them will then be available for the use of beneficiaries. The total value of these blocks is £57,700 which, with the lands mentioned in the following paragraph, makes a total value of £97,500 saved to the Trust estate out of the bank securities, subject to the mortgages as above, amounting to £21,000.

Redemption by Beneficiaries.—One block, Motu No. 1, comprising 2,000 acres, was redeemed by the beneficiaries, who paid off the bank debt on it.

Bank Securities withheld from Sale or Remortgage.—The following lands, which formed part of the securities to the bank, have also been saved from sale, and on final adjustment of accounts between the several blocks will be available for the benefit of the Native owners by lease or occupation :—

Block.	Area.			Estimated Value. £
	A.	R.	P.	
Mangatu Nos. 5 and 6	40,150	0	0	20,000
Mangaokira No. 1	2,027	0	0	2,000
Pakowha (part)	374	2	36	1,600
Whangawehi 1B and 1C	1,204	0	0	3,000
Mangawaru No. 2	14,802	0	0	5,500
Whataupoko, Section 20	3	1	30	50
Te Kuru	400	0	0	6,000
Tangotete Nos. 1 and 2	80	0	0	1,200
	59,041	0	26	£39,350

The 374 acres 2 roods 36 perches in Pakowhai formed part of the principal security to the bank, but to meet the wishes of a number of the beneficiaries the Board arranged to have this area taken out of the block and reserved for the Natives.

Lands outside the Bank Securities.—In addition to the before-mentioned lands there were in the Trust several blocks not secured to the bank, viz.,—

Block.	Area.		
	A.	R.	P.
Maraetaha No. 2A, Sections 2 and 3	5,082	2	20
Maraetaha No. 2, Sections 3 and 6	7,000	0	0
Mangapoike No. 2	37,721	3	22
Tahora No. 2	60,694	0	0
Mangawaru No. 3	18,720	0	0

Although these lands were not liable for the debt to the Bank of New Zealand, they in common with the bank securities were and are liable to other claims on the Trust estate and for the expenditure incidental to the management of the Trust. When the Board was appointed, claims against the Trustees, which had been accumulating for some years previously, amounted to the large sum of £20,600, the greater part of which was incurred for law-costs consequent on the interminable litigation in which the Trust lands were at one time involved, but now happily ended by the Board's Act. To provide funds for payment of this amount, and for surveys, roading, and general expenses, the Board, with the approval of the Court, was empowered by the Trustees to sell Sections 2 and 3 of Maraetaha No. 2A, comprising 5,082 acres 2 roods 20 perches; Section 3 of Maraetaha No. 2, comprising 3,000 acres; and 10,000 acres in Tahora No. 2. Sections 2 and 3 of Maraetaha No. 2A were sold in 1904 for £4,066 2s., and 9,590 acres (approximately) in Tahora sold at auction on the 15th April last for £10,009 10s.

To pay the more pressing of these claims the Board, in January and May, 1904, raised temporary loans on mortgage amounting to £12,742 8s. 4d., of which £2,742 8s. 4d. has since been paid off, leaving £10,000 outstanding at date, which is payable out of balances of purchase-moneys now owing to the Board.

The remainder of the lands, after reservation of suitable areas for Natives, were offered for lease. All the available land in Mangapoike and nearly all that in Tahora has been taken up by good settlers, and is rapidly being brought into profitable occupation. The value of these lands held for the benefit of the Natives is £95,000, which added to the value of the lands saved out of the bank realisation—viz., £97,050—make up the sum of £192,050, and after providing for the amount owing on mortgage, loans and other liabilities there remains an estate comprising 187,438 acres, of a net worth of £173,023. Of this area 61,811 acres are leased at a present annual rental of £4,573; 26,469 acres have been reserved for Natives; and of the remaining 99,157 acres, part will be reserved for Natives, a portion may have to be sold to adjust accounts as between the different blocks, and the rest will be available for lease for the benefit of the Natives.

Throughout the Board had in view the need for as prompt a realisation as was compatible with due regard for obtaining the best market prices, and they are pleased to be able to report that full values were got for all the properties sold.

The realisation of these lands has been the means of bringing in fresh capital, to the great advantage of the district as a whole, and the opening-up of such large blocks of excellent land as Mangapoike and Tahora, and the subdivision of Mangaheia, must largely benefit all in the community.

The Board would fail in its duty were it to omit to draw your special notice to the very great advantage that has accrued to the Trust estate and to the district through the wise action of the Government in perfecting the titles to all the Trust lands. Had the Board not been in a position to give perfect titles advantageous realisation would have been quite impossible.

The Board also desires to thank the Trustees, and more particularly the Hon. James Carroll, for the valuable advice and assistance throughout the realisation.

Future Management.—Although the more onerous part of the duties for which the Board was appointed has been achieved, there still remains to be accomplished the adjustment of accounts as between the various interests of the estate, the settlement of large outstanding claims, and, probably, further realisation for these purposes. The Board hopes that within the next six months it will be able to deal with the greater part of these matters, and, as its duties will then be chiefly supervisory, the Board respectfully suggests that after that date its members shall hold office in an honorary capacity. In view of the large interests involved, the Board is of opinion that the management of so large an estate should remain as at present in the hands of a Board of Trustees responsible to Parliament.

We have, &c.,

J. MACFARLANE, Chairman.
W. SHRIMPTON, } Members.
J. A. HARDING, }

The Hon. the Minister of Native Affairs, Wellington.

SUMMARY of SCHEDULES of LANDS vested in the East Coast Native Trust Lands Board.

	Blocks secured to the Bank of New Zealand.	Blocks outside the Bank Securities.	Total.
	Acres.	Acres.	Acres.
Area sold	34,939	14,672	49,612
" leased	15,312	46,499	61,811
" reserved for Natives ... ..	...	26,469	26,469
" held for future disposal	57,580	41,577	99,157
Total areas	107,832	129,218	237,050
	£	£	£
Proceeds of sales of freehold	105,772	14,075	119,847
Loans raised on mortgage... ..	21,000	10,000	31,000
	126,772	24,075	150,847
Paid Bank of New Zealand	117,416	...	117,416
" for surveys and improvements... ..	1,776	...	1,776
" for sale expenses, law-costs	1,349	...	1,349
" rates	336	...	336
" Trust's General Fund	5,894	24,075	29,969
	126,772	24,075	150,847
Value of lands not sold	97,050	95,000	192,050
Present annual rental of lands leased	2,915	1,658	4,573

Gisborne, 24th August, 1905.

THE EAST COAST NATIVE TRUST LANDS BOARD.—SCHEDULES OF LANDS vested in the Board, and a Statement of the Board's Transactions in regard to the said Blocks to the 31st July, 1905.

A. Blocks secured to the Bank of New Zealand at 31st August, 1902.

Blocks.	Areas.	Proceeds of Sales of Freeholds.	Loans raised on Mortgages.	Application of Proceeds of Sales and Loans.				Areas, sold, leased, and held for Future Disposal.			Value of Lands not sold.	Present Annual Rental of Lands leased.	Remarks.	
				Paid Bank.	Surveys, Roads, and Improvements.	Sale Expenses and Law-costs.	Hates.	Trust's General Fund.	Sold.	Leased.				For Future Disposal.
Paramata ..	Acres 7,112	\$ 24,784	8,000	\$ 25,769	\$ 930	\$ 409	\$ 41	\$ 622	Acres 4,614	2,380	118	\$ 7,800	\$ 366	Sold at auction, 30th January, 1904.
Maractaha No. 2, Section 4	3,991	15,967	..	12,908	..	228	111	3,320	3,991	..	..	..	..	" " 29th June, 1904.
Whataupoko No. 67D	2	60	..	20	..	40	..	..	2	..	..	..	..	Sold privately, August, 1904.
Okahuatu No. 2	15,190	26,250	..	26,205	..	45	..	..	15,190	..	..	..	..	" " October, 1904.
Matawhero No. 5, Section 9	15	78	..	78	..	..	..	..	15	..	..	..	..	Mortgage advance obtained to redeem block for beneficiaries, September, 1904. Land drained and subdivided, and leased by auction, 25th February, 1905.
Mangaheia No. 2D ..	5,997	..	11,000	9,551	779	270	..	400	..	5,997	..	35,400	1,768	Sold at auction, 25th February, 1905.
Matawhero No. 5, Section 8	17	283	..	..	..	..	..	..	17	..	..	..	..	" " " " " "
Matawhero No. 1 ..	182	2,237	..	..	..	..	..	..	182	..	..	..	..	" " " " " "
Moutere No. 2, Section 1	194	438	..	..	..	..	..	..	194	..	..	..	..	" " " " " "
Tawapata North No. 1A	2,096	3,144	..	..	..	..	..	..	2,096	..	..	..	..	" " " " " "
Tawapata North No. 2	1,995	3,177	..	..	..	..	..	..	1,995	..	..	..	..	" " " " " "
Pakowhai (part) ..	5,013	27,253	..	..	..	..	..	..	4,638	374	..	1,600	60	In this block 374 acres 2 roads 36 perches were reserved for the beneficiaries, and pending an adjustment of interests have been let on a three-months tenancy. The remainder, 4,638 acres 3 roads 13 perches, was sold at auction, 25th February, 1905. Redeemed by beneficiaries.
Motu No. 1 ..	2,000	2,100	..	..	..	..	..	..	2,000	..	..	..	..	Mortgage advance obtained to redeem block for beneficiaries, February, 1905. Land held under old lease.
Whangawhai No. 1A ..	980	..	1,000	..	..	..	..	..	..	980	..	2,500	..	Mortgage advance obtained to redeem block for beneficiaries, February, 1905.
Tawapata South No. 1	4,376	..	6,000	43,483	57	356	182	1,552	..	4,376	..	12,000	600	Mortgage advance obtained to redeem block for beneficiaries, February, 1905. Unimproved and unoccupied.
Mangatu No. 5	20,075	..	..	..	..	..	..	..	..	..	..	10,000	..	" " " " " "
Mangatu No. 6	20,075	..	..	..	..	..	..	..	..	..	..	10,000	..	" " " " " "
Mangaohuru No. 1	2,027	..	..	..	..	..	..	..	..	..	..	2,000	..	" " " " " "
Whataupoko Section 20	3	..	..	..	..	..	..	..	..	..	..	50	..	" " " " " "
Whangawhai 1B, 1C ..	1,204	..	..	..	..	..	..	..	..	1,204	..	3,000	60	Hold under old lease.
Maungawaru No. 2	14,802	..	..	..	..	..	..	..	..	..	..	5,500	..	Unimproved and unoccupied.
Te Kuri ..	400	..	..	..	..	..	..	..	..	..	..	6,000	..	Occupied by Natives, partly improved.
Tangotete No. 1	5	..	..	..	..	..	..	..	..	..	..	75	..	" " " " " "
Tangotete No. 2	75	..	..	..	..	..	..	..	..	..	..	1,125	..	" " " " " "
	107,832	105,772	21,000	117,416	1,776	1,349	336	5,894	34,939	15,312	57,580	97,050	2,915	

B. Blocks not included in the Bank of New Zealand Securities.

Blocks.	Areas.	Proceeds of Sales of Freehold.	Loans raised on Mortgage now outstanding.	Areas sold, leased, reserved, and held for Future Disposal.				Value of Lands not sold.	Present Annual Rental of Lands leased.	Remarks.
				Sold.	Leased.	Reserved for Natives.	For Future Disposal.			
	Acres.	£	£	Acres.	Acres.	Acres.	Acres.	£	£	
Maraetaha 2A, Sections 2 and 3	5,082	4,066	..	5,082	Sold by tender in August, 1904, to pay old liabilities contracted by the Trustees, and to provide for current expenses of the Trust. The Gisborne Borough Council has agreed to purchase of 2,299 acres in these two blocks for a water-supply reserve. The transaction has not yet been completed. The greater part of Section 6 and the whole of Section 3 are unimproved and unoccupied. Part of Section 6 is improved and occupied by Natives. £10,000 raised on mortgage to pay old liabilities contracted by the Trustees. When taken over by the Board all these blocks were unimproved and unoccupied, except 8,000 acres, 5,000 of which were in European and 3,000 in Native occupation. 9,590 acres sold by auction, 15th April, 1905, to pay old liabilities contracted by the Trustees, and to assist in redeeming the then existing mortgages on the Mangapoike and Tahora Blocks: the latter (£2,742 8s. 4d.) has been paid off. When taken over by the Board the whole of these lands were unimproved and unoccupied, except a few Native settlements. Unimproved and unoccupied.
Maraetaha No. 2, Section 3	3,000	..	..	..	..	..	3,000	5,000	..
" " 6	4,000	..	..	..	..	..	4,000	10,000	..
Mangapoike No. 2	37,721	..	10,000	..	28,240	4,424	5,057	30,000	1,226	
Tahora No. 2	60,694	10,009	..	9,590	18,259	22,045	10,800	43,000	432	
Mangawaru No. 3	18,720	..	..	..	..	..	18,720	7,000	..
	129,218	14,075	10,000	14,672	46,499	26,469	41,577	95,000	1,658	

THE EAST COAST NATIVE TRUST LANDS BOARD'S STATEMENT OF RECEIPTS AND PAYMENTS from 1st September, 1904, to 31st July, 1905.

Receipts.		£	s.	d.	£	s.	d.	Expenditure.		£	s.	d.	
Balance, 1st September, 1904	...	...	...	...	5,008	13	11	Payments to the Bank of New Zealand in discharge of debt—					
Sales of freehold secured to the Bank of New Zealand—								Paremata	...	...	105	10	9
Matawhero No. 5, Sections 8 and 9	...	361	6	6				Mangaheia No. 2d	...	...	9,551	1	2
Matawhero No. 1, Lots 4 and 5	...	2,237	6	7				Balance of total debt at the 8th June, 1905	...	...	43,582	1	9
Moutere No. 2, Subdivision 1	...	438	3	9					...	...	53,238	13	8
Tawapata North No. 1A	...	3,144	0	0					...	...	2,742	8	4
Tawapata North No. 2, Subdivision 1	...	3,177	3	0				Mortgage paid off—Tahora No. 2	...	...	...	...	...
Pakowhai (part)	...	27,253	2	6				Subdivision expenses and improvements—	...	...	...	...	...
Motu No. 1	...	2,100	0	0				Mangaheia No. 2d	...	...	779	4	0
	...	38,711	2	4				Matawhero Nos. 1 and 5	...	...	6	14	0
Less unpaid purchase-money	...	4,391	0	0				Pakowhai	...	...	50	0	0
	...	34,320	2	4				Mangapoike	...	...	281	18	0
	...							Tahora No. 2	...	...	900	0	0

Sales of freehold not secured to the Bank of New Zealand—		£	s.	d.	Plans and Ad- vertising. £ s. d.	Commis- sion. £ s. d.	Sundries. £ s. d.		
Tahora No. 2, Sections 6, 7, 12, and 13	...	10,009	10	0	...	...	...
Less unpaid purchase-money	...	6,005	14	0	...	...	...
Rents—				4,003	16	0			
Paremata	...	366	18	4			2	1	0
Mangaheia No. 2d	...	991	10	5			12	15	2
Pakowhai	...	15	0	0			25	4	0
Tawapata South No. 1	...	300	0	0			...	...	...
Mangapoike	...	62	10	0			...	...	...
Tahora No. 2	...	201	6	10			...	...	...
Mortgage advances—				1,937	5	7			
Mangaheia No. 2d	...	11,000	0	0			...	...	...
Whangawehi No. 1A	...	1,000	0	0			...	...	...
Tawapata South No. 1	...	6,000	0	0			...	...	...
Interest on purchase-moneys and rebates	...	1,275	8	6			...	...	...
Less accrued interest not yet received	...	372	2	4			...	...	...
	...	903	6	2			...	...	...

Refunds—		£	s.	d.
Bank of New Zealand: Amount lodged to secure the Bank's contingent claim on the specific securities for advances for law-costs	...	1,750	0	0
Cook County Council: Survey of county roads in Paremata Block	...	46	18	0
	...	1,796	18	0

Contractors' deposits ...	30 0 0	Law-costs ...	581 15 6
Balance, 31st July, 1905 ...	350 8 7	Salaries, members of Board office ...	1,000 0 0
		Travelling-expenses ...	266 13 4
		Office expenses ...	125 9 0
		Contractors' deposits ...	12 13 0
			1,404 15 4
			30 0 0
			£66,350 10 7

Examined and found correct—J. SANDTMANN, Auditor, F.I.A.N.Z.
 Gisborne, 24th August, 1905.

J. MACFARLANE, Chairman.
 J. A. HARDING, Members.
 W. SHRIMPTON, Members.
 T. A. COLEMAN, Secretary.

THE EAST COAST NATIVE TRUST LANDS BOARD'S STATEMENT OF LIABILITIES AND ASSETS as at 31st July, 1905.

<i>Liabilities.</i>		<i>Assets.</i>	
£	s. d.	£	s. d.
Mortgages secured on freehold	31,000 0 0	Freehold lands as per schedules	192,050 0 0
Accrued interest on mortgages	277 16 2	Unpaid balances of purchase-moneys on sales of freehold properties...	10,396 14 0
Bank of New Zealand	350 8 5	Accrued interest on ditto	372 2 4
Sundry creditors	299 12 11	Accrued rents	...
Salaries	180 5 0	Amount payable by Bank of New Zealand by way of rebate off total debt	5,000 0 0
Claims on the Trustees in connection with management of Trust estate prior to the appointment of the Board	...		
Surplus	3,800 0 0		
	35,908 2 6		
	173,023 2 3		
	£208,931 4 9		

Examined and found correct—J. SANDTMANN, Auditor, F.I.A.N.Z.
 Gisborne, 24th August, 1905.

J. MACFARLANE, Chairman.
 J. A. HARDING, Members.
 W. SHRIMPTON, Members.
 T. A. COLEMAN, Secretary.

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