

laid down by the Court, while on the other hand there are blocks in debit to the extent of £38,936 17s. 5d. These are, of course, paper balances, worked out for the purposes of the adjustment. It must be patent that to allow the credit blocks to claim early payment of their balances would disorganize the whole estate. In the same way, to try and realise on the whole of the debit blocks in the immediate future would be unwise. Unless Parliament, after due consideration, suggests otherwise, the Court would submit that the amounts fixed by the Court should be settled as the final credit or debit balance of the respective blocks as at the 31st March, 1907, and that the Commissioner should effect a gradual realisation of the amounts chargeable against the various blocks, and a similar gradual extinguishment of the credit balances due to the other blocks.

Assuming the accounts to be finally passed, the Court would make the following suggestions:—

1. That, subject to such readjustment as may from time to time be found necessary, interest at 5 per cent. per annum should be allowed to or charged against the respective blocks until the credit or debit balance is extinguished by payment or some tangible security.

2. The present mortgages of £21,000 should be permitted to be continued or renewed, or fresh mortgages effected, over the same or other blocks for the purposes of the trust as the exigencies of the estate may require.

3. The Mangaheia No. 2 debit of £2,459 19s. 7d. has been already extinguished by the receipt of rents from that block.

4. Maungawaru No. 2, £5,001 6s., and Maungawaru No. 3, £1,044 10s. 3d., should be defrayed by selling, mortgaging, or leasing the respective blocks and applying the proceeds to the purpose. If on realisation there should be a surplus, this should be held for the beneficial owners of the respective blocks to be found by the Court (less the cost of ascertaining such beneficial owners).

5. Tahora No. 2, £482 19s. 11d., to be raised on mortgage either by itself or in conjunction with other money being raised by the Commissioner for improving that block.

6. Tawapata South No. 1, £5,190 6s. 2d.: There is already a mortgage of £6,000 on this block. The annual rents are £600—sufficient to pay interest and outgoings, and eventually provide for redemption of land. The mortgage should be continued or renewed from time to time, charging Tawapata South No. 1 with its fair share only. The details as to eventual redemption must be considered in conjunction with the present needs of the beneficiaries, and might well be left to the Commissioner's discretion.

7. Whangawehi No. 1A, £836 13s. 7d.: There is a mortgage for general trust purposes of £1,000 over this block. When convenient it might be transferred to this block for its own purposes, or a fresh mortgage raised at some later date, and gradually extinguished out of rents and profits. In the meantime the block can be charged with its fair share of the mortgage.

8. Whangawehi No. 1B, 1c, £2,231 7s. 4d.: The Commissioner should be empowered to sell, mortgage, or lease this block in order to eventually liquidate its indebtedness. The existing lease, which has seven or eight years to run, does not realise sufficient to pay the interest charges. The liquidation of the debt will either have to take place very gradually, and extend over a long time, or some special method will have to be adopted as the circumstances may justify.

9. Should there be any deficiencies on the realisation of any of the above blocks, it should be borne by Mangatu Nos. 5 and 6 and Maungaokura No. 1 Blocks in the proportions to be hereafter fixed by the Court. Any surplus as suggested should belong to the beneficial owners of the particular block.

10. Whataupoko, part G, £500: This is one of the principal-security blocks: it should be sold when convenient, and the proceeds credited. Any deficiency or surplus on realisation should be shared in fair proportion by Mangatu 5 and 6 and Maungaokura No. 1 Blocks.

11. Maungaokura No. 1, £1,324 7s. 3d.: This is one of the principal-security blocks, and should be sold, mortgaged, or leased, as may seem most expedient, to defray its indebtedness.

12. Mangatu 5 and 6, £19,865 16s. 4d.: This and the Mangaokura must inevitably bear the brunt of the burden, as well as the final deficit of the realisation of the other blocks. The Court's suggestion, as in the Mangaokura Block, is that the Commissioner should be empowered to sell, mortgage, or lease the block at his discretion. If it should be found necessary to sell, and on final realisation there should turn out to be a surplus, it might be paid to such persons as the Court should find equitably entitled thereto. If, however, there should turn out to be a deficiency, then it should be left to the Court to say on what blocks, if any, the deficiency is to be charged.

13. If the beneficial owners of any block indebted to the trust are prepared to find the amount of the debt, and take over the block with its liabilities, the Commissioner should have power to permit of this being done if he thinks it is in the best interests of the set of beneficiaries concerned or of the estate as a whole.

14. As it would be impracticable and impolitic to carry out all these suggestions at once, the formal authority to deal with any particular block in the way that the Commissioner suggests under the circumstances might be made the subject of a separate application to and order of the Court. Similarly any disbursement on account of the credit blocks could be authorised by the Court as funds become available.

15. So long as the trust continues, the Commissioner will require to annually adjust his accounts so as to distribute equitably over the various blocks under his care the cost of management and other outgoings. The Court or some other authority should be empowered to finally settle and pass such accounts and adjustments.

16. The powers and authorities suggested to be given to the Commissioner for the purpose of carrying the proposed adjustments into effect are intended to be in addition to any powers he may have, and should not lessen or minimise his statutory powers to deal with or manage any particular block.