difficulty of suppressing the rabbit nuisance, the leases were surrendered. These lands may be utilised only as pastoral runs in very large areas. The Government valuation supplied to us for these blocks is as follows :—

Owhaoko : From 1s. 6d. to 5s. per acre.
Rangipo-Waiu B : From 20s. to 80s., but the major portion (balance of subdivisions) 2s. 6d. per acre.
Puketoi : No valuation supplied.

The balance of lands undealt-with (40,531 acres) is in small subdivisions, numbering, as far as we have been able to ascertain, about 223 subdivisions, of the average of 164 acres each subdivision. We give in the "Remarks" column of the schedules some information as to the present occupation of these subdivisions, from which it would appear that they are more or less effectively occupied, in most cases as papakaingas and reserves, by the Native owners.

Lands leased.

The real problem that confronts one in Hawke's Bay District is in respect of the lands now under lease. The area is very large, 571,077 acres ; but nearly two-fifths of this consists of poor land, namely,—

Tarawera	....	87,000 acres;	valuation, 5s. to 6s. per acre.
Owhaoko (part)	....	76,630 "	" 1s. 6d. to 5s. per acre.
Timahanga	....	22,000 "	" 7s. 6d. per acre.
Omahaki	....	15,710 "	" 7s. 6d. per acre.
Total	....	201,340 acres	

and is at present held under lease in large areas.

A large number of leases will expire in a few years. Negotiations have been entered into for renewal, and leases have been executed, before the existing terms expired. Upon application to the Maori Land Board for approval the Board refused. We may say that similar applications have been made to the Maori Land Board and also refused. The Maori Land Boards of the Aotea and Ikaroa Districts have laid down a rule that in no case will a surrender of an existing lease and a new lease to the tenant be sanctioned. The reason given for such a rule is that such a procedure would not be in the interests of the Maori lessors. Applications were made to us on behalf of the Maori lessors, and were inquired into at Napier and at Wellington.

We cordially approve of the general rule laid down by the two Boards mentioned, and hope that all Maori Land Boards of the colony will establish a similar rule subject to the exceptions we shall mention presently. In favour of such a drastic rule much can be said. It is no doubt the case in the districts named, and perhaps in other districts in many instances it is likewise the case, that the arrangements made for the surrender of an existing lease and the issue of a new lease were not in the interests of either the Maori owners or of European settlement. The arrangements benefited only the Europeans who were fortunate enough to obtain the sanction of the Maori owners to their proposals. Competition is precluded by the conditions that must exist between tenant and lessors, and if it were understood that such arrangements could be freely made there would be nothing to prevent the creation of an obligation between the Maoris and their tenants that would commit the former to a new lease whenever demanded. In the Hawke's Bay and Wellington districts, where so much of the most valuable Native land is under lease, such freedom of action would militate against settlement. In the mass the Maoris are anxious to resume occupation of a large area now under lease to Europeans ; individually they will be found unable to resist the temptation of increased rentals, and thus their young people may be debarred from obtaining land for farming.

We are of opinion, however, that, like every rule for the guidance of administrative bodies, there may arise cases where the maintenance of the rule may work a hardship. In two of the cases that came before us a modification of the rule would be a gain to settlement and to the Maori lessors. We have carefully considered the applications, and we have come to the conclusion that