

(2.) *Blocks (held under Decrees of the Validation Court) forming the "Specific Securities," and the Amount of Debt on them secured to the Bank at the 30th September, 1902.*

	Area.			Debt.			
	A.	R.	P.	£	s.	d.	
Mangaheia No. 2D ...	5,997	0	0	9,596	11	4	Leased to Somerville and others. Partly improved.
Paremata ...	7,112	3	22	23,670	0	2	Occupied by Estates Company.
Maraetaha No. 2, Section No. 4 (Te Puru) ...	3,991	3	0	11,433	0	6	Occupied by Estates Company. Partly improved.
Moutere No. 2, Section 1 ...	194	3	0	363	19	2	Leased to Mr. Ormond.
Tawapata North No. 1, Sub- division No. 1A ...	2,096	0	0	2,545	0	11	Leased to Mr. Walker; rent not determined.
Tawapata North No. 2, Sub- division No. 1 ...	1,995	0	0	2,545	0	11	Ditto.
Tawapata South, Subdivision No. 1 ...	4,376	2	5	5,726	1	9	Occupied by Estates Company. Partly improved.
Whangawebi ...	2,184	0	19	3,485	0	9	Ditto.
Totals ...	27,948	0	6	59,364	15	6	

(3.) *Blocks not subject to Mortgages to Bank.*

	A.	R.	P.
Te Kuri ...	400	0	0
Tangotete No. 1 ...	5	0	0
Tangotete No. 2 ...	75	0	0
Maraetaha No. 2, 2A ...	16,000	0	0
Mangapoike and Mangapoiki No. 2 ...	41,955	0	0
Mangawaru ...	34,000	0	0
Tahora ...	60,000	0	0
	152,435	0	0

The total amount due to the Bank of New Zealand on the 30th September, 1902 (including that secured on the specific securities) was £156,383 7s. 6d.

In addition to the bank's claim there are a number of other debts amounting to £15,906 11s. 9d., and other outstanding claims which have not yet been rendered to the Board. These sums are chargeable against the lands in Class 3, and practically exhaust their capital value for loan purposes.

Included in this sum of £15,906 11s. 9d. is an amount of £2,500, being amount of a mortgage on the Tahora Block, which is being foreclosed: the sale is advertised to take place under the conduct of the Registrar of the Supreme Court on the 30th January next, and as matters stand the Board is powerless to intervene.

For reasons which are stated hereafter there has been no realisation of any portion of the lands, and as the Board has received no revenue from rents or other sources the Board have no statement of accounts to submit.

The position of the Board is anomalous and extremely unsatisfactory. It is understood that the intention of the Act was to set up a strong executive, untrammelled by vexatious restrictions and technicalities. And the Act clothes the Board with what would be ample powers were it not for the restrictions imposed under section 12, which reads: "The terms and conditions of management, and of selling, leasing, mortgaging, improving, or otherwise dealing with the said lands, and of all properties by this Act vested or hereafter to be vested in the Board, shall be agreed upon between the trustees or beneficiaries and the Board by deed, but, so far as relates to securities and lands vested in the trustees either alone or with others, by decrees of the Validation Court, they shall have no force or effect until approved of by the Chief Judge of the Native Land Court: Provided that the bank shall retain the control and management of any lands, stock, and properties heretofore controlled and managed by the bank." To the proviso of this section, which reserves to the bank the management of the properties now in its hands, there can be no objection. Nor can exception be taken to the preceding provision, that the approval of the Chief Judge of the Native Land Court shall be obtained to the terms of management to be agreed upon in respect of the lands which were vested in the trustees by decrees of the Validation Court, unless indeed it were to suggest that the matters might be more conveniently dealt with by the local Judge of the Native Land Court. The effect, however, of the first part of the above section has been fatal to the objects sought to be obtained by the Act. In fact, the provision that "the terms of management and of selling, leasing, mortgaging, improving, or otherwise dealing with the said lands and of all properties by this Act vested or hereafter to be vested in the Board shall be agreed upon between the trustees or beneficiaries and the Board by deed," has reduced the Act to a dead-letter.

On the 18th April draft model deeds providing for the management and realisation of the lands were signed by one of the trustees (Mr. Carroll). The deeds contained some provisions to which the Board strongly objected, but in view of what the Board considered the urgent necessity for prompt action in dealing with the various properties, all minor matters were waived, in the hope that once the realisation had begun, the points on which the trustees and the Board were not in accord would adjust themselves. On the 2nd May the draft model deeds were signed by the other