

Arrangements for subdivision surveys of the Mangaheia No. 2d and Pakowhai Blocks are now being put in hand, and the Board intend offering the properties during the coming summer. Considerable portions of both these blocks are eminently suited for close settlement. Mangaheia will be offered for lease, and Pakowhai for sale. Surveys of the Tahora No. 2 lands (59,348 acres) are also being undertaken. The bulk of this block will be offered for lease, and it will only be necessary to sell the freehold of a comparatively small portion.

Mortgages.—The value of the Paremata Block being greater than the amount of the claims on it, the Board sold only 4,600 acres, and reserved the balance (valued at £8,500) for lease. To provide the full amount required to discharge the bank's debt the Board obtained an advance of £3,000 on mortgage of the unsold portion, with the view of eventually redeeming the property for the beneficiaries. Mortgage advances have also been negotiated on the Mangapoike and Tahora lands to the extent of £12,742 8s. 4d., and the proceeds have been applied in discharge of the more pressing of the liabilities contracted by the Trustees prior to the appointment of the Board.

Roading and Survey.—The Board wishes to bring under your notice the urgent need for road access to the Mangapoike and Tahora lands. Both these blocks are at present roadless. To gain access to markets from Mangapoike it will be necessary to take a road from the Arai through Maraetaha No. 2A, and on through Mangapoike towards Opoiti. When formed this would be the main road between Gisborne and Wairoa. It would be fifteen miles shorter than the present road, and besides opening up a large portion of Mangapoike, which is inaccessible by any other means, it would be of great benefit to a large number of settlers in the outlying districts. The needs of the Tahora Blocks are also pressing. Both blocks are very fertile, and their early settlement would materially benefit the whole of the district, and the settlers in the vicinity of both blocks are willing to contribute towards the formation of the roads. The Board therefore respectfully asks that the Government will grant assistance in the matter by undertaking the surveys of the roads at an early date. The works are of such general public utility that they should, the Board respectfully submits, commend themselves to the prompt and favourable consideration of the Government.

We have, &c.,

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

The Hon. the Minister of Native Affairs, Wellington.

SCHEDULE A.—Blocks forming the Principal Security to the Bank of New Zealand.

	A.	R.	P.	
Okahuatui No. 2	15,190	0	0	Sold for £26,250.
Whataupoko No. 67D	2	2	31	Sold for £60.
Mangatu No. 5	20,075	0	0	Comprised in deed of agreement of 9th April, 1904.
Mangatu No. 6	20,075	0	0	
Mangaokura No. 1	2,027	0	0	
Matawhero B, or 5	33	1	12	
Matawhero No. 1	182	1	38	
Whataupoko, Section 20	3	1	30	Deed of agreement of 29th August, 1904.
Pakowhai (part)	5,013	2	9	
Motu No. 1	2,000	0	0	No deed of agreement made for this.
	64,602	2	0	

As ascertained by the accountants appointed under the Act, the amount of the total debt due to the bank on the 30th January, 1904 (including £61,832 4s. 3d. due on specific securities as per schedule), was £159,029 2s. 4d., an increase of £2,645 14s. 10d. on the amount due on the 30th September, 1902—viz., £156,383 7s. 6d.

SCHEDULE B.—Blocks forming the Specific Securities to the Bank of New Zealand, and the Amount of the Bank's Claim on each Block as at the 30th January, 1904, as ascertained by the Accountants appointed under "The East Coast Native Trust Lands Act. 1902."

Block.	A.	R.	P.	£	s.	d.
Paremata	7,112	3	22	25,043	14	5
Maraetaha No. 2, Section 4	3,991	3	0	11,846	5	0
Mangaheia No. 2d	5,997	0	0	9,456	7	10
Moutere No. 2, Section 1	194	3	0	397	4	3
Tawapata North No. 1A	2,096	0	0	2,782	1	9
Tawapata North No. 2	1,995	0	0	2,782	1	9
Tawapata South	4,376	2	5	5,712	5	3
Wangawehi No. 1A	980	0	0	1,239	19	9
Wangawehi No. 1B and 1c	1,204	0	19	2,572	4	3
	27,948	0	6	£61,832	4	3