

owners or grantees was forty; the present number of owners, including successors, is approximately seventy.

The block is situated on the Wairoa-Napier Road, some distance north of Tangoio.

By deed of lease dated the 10th September, 1884, the Natives leased to the present lessee and one Arthur McTier Cunningham the whole of the block, retaining a reserve of about 3,000 acres for a period of twenty-one years expiring on the 10th September, 1905. This lease, however, subsequently became vested in the present lessee, Mr. W. H. Guthrie-Smith, and one Thomas John Stuart. On the 21st September, 1894, Messrs. Guthrie-Smith and Stuart obtained a renewal of their lease as to 9,500 acres, portion of the Tutira Block; such lease was for twenty-one years from the 21st September, 1894, and therefore expires on the 21st September, 1915. The rent payable under such lease was £600 during the first eleven years of the said term, which included the back country as to which the lease was not renewed, and £330 during the remainder of the said term, being the rent of the front portion comprised in the renewal.

Negotiations recently took place with a view to the renewal by the present lessee of the lease now held by him, and in the course of these negotiations it was suggested that the present lessee should also take a lease of the back portion of the block. The value, according to a valuation made by the District Valuer, Mr. W. E. Griffin, in February, 1907, is as follows :—

	Capital Value. £	Unimproved Value. £	Improve- ments. £
Part of Tutira Block not now under lease, 9,999 acres ...	2,997	2,877	120
Part of Tutira Block now under lease to Mr. Guthrie-Smith, 9,500 acres ...	25,250	16,580	8,670
Other part Tutira Block forming Native Reserve, 1,000 acres ...	5,250	4,150	1,100

The back portion of the block, 9,990 acres, which has reverted to the Native owners, is very rough country, and, as is apparent, is practically unimproved. It is infested to a considerable extent with rabbits, and any one taking a lease of it incurs the somewhat serious liability of being responsible for the destruction of these rabbits. It is because this back country involves such responsibility, and also because its condition is to some extent a menace to the balance of the block, that it has been suggested that the present lessee in renewing his present lease should take over as well the back portion. This he is willing to do, because he recognises that, however diligent he may be in keeping down the rabbits in the portion now occupied by him, he will be continually liable to invasion of rabbits from the back block as long as the same is not under lease. At present he is in occupation of the back portion of the block from year to year, and he himself keeps down the rabbits. In consideration of such occupation, the present lessee is continuing to pay full rent of £600 per annum, and has a verbal arrangement with the Native owners that if he should remain undisturbed in his occupation of such back country for a period of three years he will pay a proportion of the royalty he is receiving from flax cut on the portion included in his lease. It is estimated that for such period of three years the proportion so to be paid would amount to several hundred pounds should flax maintain approximately its present selling-value. It should be here mentioned that the present lessee is in occupation of 1,000 acres reserved by the Natives. Such reserve was to be occupied by the Natives if they chose after 1905, but they have not availed themselves of the right of occupation, although it has always been open to them to do so. The lessee pays the Native-land tax in consideration of temporary occupation, amounting to over £70 a year.

The Commission met the Native owners and the lessee at Tangoio. The Natives were desirous that new arrangements should be made regarding the occupation of this block. The Natives asked that they should be placed in the position to utilise a portion of the land.

It was made clear to us that the portion which had reverted to the Native owners was not suitable for subdivision and could not be worked profitably apart from the land now held under lease. It winters about one hogget to 2 $\frac{1}{4}$ acres. The whole of this is covered with fern and manuka, and the winter