

carrying-capacity fluctuates with the opportunity afforded by each season of burning-off. It can only be properly utilised by having the front block from which to draw sheep when feed is available and to which one can take stock when feed is not available. This country cannot be brought into use by crushing, as the conditions are against that. Unlike most rough country, it cannot be improved by stocking with cattle, owing to there being boggy creeks all over it, which have already been the cause of the loss of a large number of cattle.

The Natives could not possibly face the expense of a fence dividing the leased from the unleased portion of the block.

In the proposal for a renewal of the lease the lessee suggested that the Commission should take into consideration the following special circumstances in considering the rent :—

First, the expense of keeping down rabbits, which is at present considerable and is liable to increase: Some of the owners immediately adjoining have been fined under the Rabbit Act more than once, and their places have become such a menace that the Rabbit Board has taken over the rabbiting.

Secondly, the expense of destroying manuka and blackberry which have spread from the adjoining blocks is also considerable and continuous.

Thirdly, it should also be remembered that the Tutira Lake is included in the area. The lake extends to about 450 acres.

Fourthly, the present lease, 9,500 acres, has eight and a half years to run at a rent of £330 per annum. This lease terminates in September, 1915. The difference between £330 and the new rent capitalised is very large.

A careful consideration of all the circumstances led us to the conclusion that, although at the end of the present lease the area therein comprised might be cut up into smaller farms, at least 12,000 acres of the whole block could not be profitably settled except in conjunction with such farms; that the Maori owners themselves cannot use the portion which has reverted to them; and that it would be in their interest if fresh leases were made.

We therefore made certain proposals to the present lessee, which have been agreed to.

We recommend :—

- (1.) That 13,420 acres be leased to Mr. Guthrie-Smith (present lessee) for thirty years from now at an annual rental of £1,355.
- (2.) That 5,570 acres be leased to his sister, Miss Guthrie-Smith, for thirty years from now at an annual rental of £70.
- (3.) That the Native owners, in addition to the rent, receive half the royalty on the flax grown on the swamp lands at the western end of the lake.

(It is estimated that the annual revenue from this source to the owners will be at least £200.)

- (4.) That 500 acres adjoining the Native reserve of 1,000 acres be taken out of the lease. This area not to interfere with the home paddocks, and to be hereafter fixed by us.

(This would enable the Maoris to start sheep-farming on a small scale. The land is good, suitable for farming in two sections, and is perhaps the best land in the block.)

The increased rental with royalty will be at least £1,000 above what the Maoris are now receiving from the whole block.

We have the honour to be

Your Excellency's most humble and obedient servants,

ROBERT STOUT,
A. T. NGATA,

Commissioners