

- (5.) We, the people, are of the opinion that this is not (correct finance) right.
- (6.) The trustees call a meeting. What is it for? It is for the purpose of negotiating another mortgage, and the major portion of the money is for the purpose of paying the trustees and their solicitor (Mr. W. L. Rees).
- (7.) The people derive no benefit from this trust; the only result we can see is the benefit to themselves.
- (8.) We are strongly of the opinion that we should have been much better off if we had been allowed to deal with the land ourselves.

And the petitioners asked that—

- (a.) The land be placed under Part II of "The Native Land Settlement Act, 1907."
- (b.) If the Commission cannot see its way to recommend as suggested, we would prefer to have the lands dealt with by Thomas Coleman, Commissioner for the East Coast Trust Lands, provided that the provisions and regulations governing the East Coast trust lands were made to apply, also that the Government Auditor be empowered to look into audit and pass the accounts.

After an investigation extending over two days, and the examination of many witnesses, we are more strongly of the opinion that the recommendation we made in our former report—namely, that there should be for all the lands held in trust in the Counties of Cook and Waiapu one board of management (see page 5, G.—iii. 1908)—should be given effect to.

The block Mangatu No. 4 cannot well be dissociated from the other blocks in Mangatu. The position is explained in our former report. Mangatu No. 3 is leased, the net rental being insufficient to pay the interest on the mortgage to which it and No. 4 are subject. The rent this year will be £122 13s. 4d., and that will be sufficient to pay the interest on the mortgage (£1,000), and the balance left will go in reduction of the unsecured debts. These were, as we formerly pointed out, on the 31st March, 1907, £544 6s. 6d. We expect that there will be at least this amount due, as there will be another year's salary due to the trustees (£30). There are also some costs not yet ascertained.

The petitioners complain that the block has not been leased. The trustees tried to lease it, but received no offer. We were informed that there was a considerable area of milling-timber, and the balance it is thought could now be leased. A proposal was made to borrow £5,000 to pay off the original mortgage and the unsecured debts, and to apply the balance in improving the lands and helping the owners to farm them. We are of opinion that it would be unwise to carry out that proposal. What we mentioned to the owners present as a suitable scheme was the following: That the area of milling-timber appeared to be about 1,000 acres, and should be set aside as a reserve for milling purposes, the trustees to sell the timber in such area, and the proceeds to discharge the mortgage. That 3,000 acres should be leased to the highest bidder, after being, if necessary, divided into two or more lots, if the country is suitable for subdivision. That 2,000 acres be reserved for Maori occupation, to be worked as a communal farm, if a proper manager were available, a committee of the owners being chosen to superintend the management. That if there was no immediate revenue coming in from the timber, a sum of money not exceeding £1,000 be borrowed to pay off the present debts, and the balance to go to help the communal farm, but that no money be borrowed until the 3,000 acres be leased. The Maoris generally agreed with this proposal, and Mr. W. L. Rees, who appeared as counsel for the trustees, concurred on their behalf. We believe, if this scheme were carried out, the Maori owners would be content. It is because they own a block of 6,000 acres yielding them no return that they complain of want of proper management.

The Maoris asked that the whole of the Mangatu Block should be placed in the hands of the East Coast Trust Lands Commissioner or of the Tairāwhiti Maori Land Board.