

*Block 1a.*

One lease commencing 1st July, 1889, for 56 years: Rent, £25 per annum for the first 28 years, and £50 per annum for the balance.

Another lease commencing 31st May, 1889, for 56 years: Rent, £25 per annum for the first 28 years, and £50 per annum for the balance.

Total rentals: £50 per annum for the first 28 years, and £100 per annum for the balance of term.

The whole of the owners of these blocks have not signed: in 1a seven owners have not signed, and in 1j sixteen owners have not signed. These leases, from any point of view, cannot be more than leases of the interests of the owners that have signed.

There are subleases in Block 1f, but we have not had them before us. The defects in their landlord's title are of course defects in their title, for they have no registered title on which they can rely. The leases are, in fact, only on the Provisional Register.

The question now is, what do we recommend? The present mortgagee and mortgagors have contended, by their counsel, that, even if the lease of Block 1f is liable to be forfeited, the Supreme Court would, under "The Property Law Consolidation Act, 1908," section 94, grant relief. Relief might be granted once, but, if granted, the covenant would still have to be fulfilled; and are the mortgagees and mortgagor prepared to fulfil it? We doubt it.

The rental is, in all the leases, entirely inadequate, and if the Maoris had been ordinarily sensible business men they never would have executed any such leases. It was suggested before the Commission that they had been induced to sign the lease through the supply of beer to them. This the Commission negatived, although it was plain that large quantities of beer were brought into the settlement at the time the 1882 lease was signed. The loss that has fallen on the Maoris through their want of business capacity and knowledge is great, and one cannot help feeling sympathy for them in the position in which they are placed. It does not seem to us that any sympathy is required for those who dealt with them in their leasehold transactions. The land held under lease would, we believe, be suitable for settlement, and could be largely developed. There seems to us little chance of either the mortgagor or mortgagees developing the land such as was contemplated when the lease of 1882 was first signed, and it is a question whether some arrangement might not be made between the mortgagor, the mortgagees, and the Maoris to provide for the suitable and immediate settlement of the land.

We had the representatives of the Maori owners before us in Auckland, and they were disinclined to spend any money in purchasing out the interests, if any, of the mortgagor and mortgagees. Possibly, to avoid litigation, they might consent to pay a certain sum of money to the mortgagor and mortgagees if the land was revested back in them. The total amount claimed by the mortgagees is £14,000. This is the amount that Mr. Lewis is said to have paid for the interests of Flower's executors in the leases. We doubt very much whether the Maoris would be inclined to give such a large sum. If a sum somewhat less than that was accepted the Maoris might be inclined to set aside 10,000 acres of the whole block to pay off such a sum, and, if anything was left after the payment of the sum agreed upon, that sum should be held for the development of the land which would be given to the Maoris. After taking the 10,000 acres out of the block we believe the Maoris would consent to half the remainder of the block being opened on lease for European settlement, and the other half being set aside for their own occupation.

We understand that the Maori owners have little or no land, and that it is necessary they should have some of this area for settlement purposes. If an agreement such as we have suggested were come to it might be wise to vest the land in the Maori Land Board, so that speedy and effective means could be obtained to give effect to it.