

With regard to the future management and control of Mangatu Nos. 1, 3, and 4, we offer the following suggestions :—

- (a.) That the control by the East Coast Commissioner, as set out in section 7 of the Native Land Amendment and Native Land Claims Adjustment Act, 1917, be continued until the appointment of new trustees as mentioned below.
- (b.) That the owners and shares of owners of Mangatu Nos. 1 and 4 be as soon as possible settled by the Native Land Court under the provisions of section 6 of the last-mentioned Act.
- (c.) That the shares of the owners in Mangatu No. 3 be defined as soon as possible.
- (d.) That within three months of the shares of the owners in any block being finally settled by the Court a new committee of seven persons be elected for such block.
- (e.) That upon the definition of the shares in any block two new trustees therefor be appointed by the Crown, the same persons to be trustees for each of the three blocks.
- (f.) That the present trust deeds be cancelled, and the Mangatu No. 1 Empowering Act, 1893, and the rules and regulations thereunder, be repealed by a new Act setting out the duties and powers of the committees and trustees. The terms of such new Act could be settled by counsel for the trustees and the committees and the Minister of Native Affairs.
- (g.) That a public accountant should be appointed as auditor, and by preference be one well acquainted with the audit of sheep-station accounts, and whose place of business is outside Gisborne.

As to the two trustees suggested, one, we think, should be a practical sheep-farmer, and the other Mr. Thomas Alexander Coleman, the East Coast Commissioner. If Mr. Coleman became one of the trustees he could also take the secretaryship to the committees. The office of the trusts could be the East Coast Commissioner's office, and such office could have charge of the books of account, and act as accountants to the trusts.

We see no reason why the services of Mr. Edward Tait, the present farm-manager, should not be retained.

Mr. Bright, acting for the present committee of Mangatu No. 1, put in its suggestions as to the future control of that block, which were generally approved by other counsel, although some small differences of opinion were expressed. We attach these to this report (Exhibit Y3). We do not agree with their (the committee's) proposal that the Registrar of the Native Land Court at Gisborne should be one of the trustees. His appointment, unless the accounting and secretarial duties were undertaken by his office, would in no way benefit the estate, and it is doubtful if the local office staff have the necessary qualifications to undertake the business of the trust. As to the employment of an accountant to keep the books, we think expense will be saved if our proposal be adopted; and there is no mention in Mr. Bright's exhibit as to the secretaryship to the committee. The appointment of trustee, secretary, and accountant as different individuals would make the management unwieldy and expensive, whereas we propose to focus it in one office.

As to the net loss caused by the forgeries, set down by us at £6,565 3s. 10d., we recommend that it be capitalized. From evidence which came under our notice it is not at all certain that the previously mentioned amount of £7,468 14s. 2d. is the total sum covered by the frauds. It may yet appear that other payments were obtained by means of forged vouchers for wages. In the meantime, however, Mr. Coleman is making careful inquiry, and may be trusted to arrive at the true position.

Section 7 of the Native Land Amendment and Native Land Claims Adjustment Act, 1917, provides for the costs of the Commission, and of the East Coast Commissioner, and counsel and solicitors employed by him before the Commis-