

The sale was a success, and on its conclusion the Board was in a position to inform the bank that on settlement by the purchasers the Board would be able to pay off the whole amount of the debt, and in June last the amount was paid to the bank.

The gross proceeds of sales of the bank securities and loans obtained on new mortgages on these securities amount to £126,772 3s. 3d., of which the Board paid the bank £117,416 12s. 8d. The difference between this sum and the total debt to the bank is made up of profits on the working of those blocks which were in the occupation of the bank as sheep and cattle stations, the proceeds of sale of the live-stock on the various stations which were sold as the properties were disposed of, and the rebates off the debt previously mentioned.

The Board desires to place on record its appreciation of the manner in which the bank has throughout facilitated the working of the Board, and especially in assisting in the realisation of the various securities in the best interests of the Trust.

Mortgage Advances.—In some of the specific securities there was both a present and a prospective margin of value over liability which enabled the Board to raise on fresh mortgage sufficient to pay off the bank debt, and, in the case of the Mangaheia 2D Block, to spend a large sum in improving the property by drainage. The blocks so dealt with are :—

Block.	Area.			Mortgage. £	Present Value. £
	A.	R.	P.		
Mangaheia No. 2D	5,997	0	0	11,000	35,400
Whangawehi No. 1A	980	0	0	1,000	2,500
Tawapata South, Subdivision 1	4,376	2	5	6,000	12,000

And in the Paremata Block, after selling the freehold of 4,614 acres 1 rood, the Board reserved the remainder of the block, 2,498 acres 3 roods 21 perches (present value £7,800), for lease, and on part of this it borrowed £3,000 to complete the amount necessary to pay off the bank's claim. All these properties are under lease, and sinking funds will be established which will insure the blocks at a future date being freed of all encumbrances. The income from them will then be available for the use of beneficiaries. The total value of these blocks is £57,700 which, with the lands mentioned in the following paragraph, makes a total value of £97,500 saved to the Trust estate out of the bank securities, subject to the mortgages as above, amounting to £21,000.

Redemption by Beneficiaries.—One block, Motu No. 1, comprising 2,000 acres, was redeemed by the beneficiaries, who paid off the bank debt on it.

Bank Securities withheld from Sale or Remortgage.—The following lands, which formed part of the securities to the bank, have also been saved from sale, and on final adjustment of accounts between the several blocks will be available for the benefit of the Native owners by lease or occupation :—

Block.	Area.			Estimated Value. £
	A.	R.	P.	
Mangatu Nos. 5 and 6	40,150	0	0	20,000
Mangaokira No. 1	2,027	0	0	2,000
Pakowha (part)	374	2	36	1,600
Whangawehi 1B and 1C	1,204	0	0	3,000
Mangawaru No. 2	14,802	0	0	5,500
Whataupoko, Section 20	3	1	30	50
Te Kuru	400	0	0	6,000
Tangotete Nos. 1 and 2	80	0	0	1,200
	59,041	0	26	£39,350

The 374 acres 2 roods 36 perches in Pakowhai formed part of the principal security to the bank, but to meet the wishes of a number of the beneficiaries the Board arranged to have this area taken out of the block and reserved for the Natives.

Lands outside the Bank Securities.—In addition to the before-mentioned lands there were in the Trust several blocks not secured to the bank, viz.,—

Block.	Area.		
	A.	R.	P.
Maraetaha No. 2A, Sections 2 and 3	5,082	2	20
Maraetaha No. 2, Sections 3 and 6	7,000	0	0
Mangapoike No. 2	37,721	3	22
Tahora No. 2	60,694	0	0
Mangawaru No. 3	18,720	0	0

Although these lands were not liable for the debt to the Bank of New Zealand, they in common with the bank securities were and are liable to other claims on the Trust estate and for the expenditure incidental to the management of the Trust. When the Board was appointed, claims against the Trustees, which had been accumulating for some years previously, amounted to the large sum of £20,600, the greater part of which was incurred for law-costs consequent on the interminable litigation in which the Trust lands were at one time involved, but now happily ended by the Board's Act. To provide funds for payment of this amount, and for surveys, roading, and general expenses, the Board, with the approval of the Court, was empowered by the Trustees to sell Sections 2 and 3 of Maraetaha No. 2A, comprising 5,082 acres 2 roods 20 perches; Section 3 of Maraetaha No. 2, comprising 3,000 acres; and 10,000 acres in Tahora No. 2. Sections 2 and 3 of Maraetaha No. 2A were sold in 1904 for £4,066 2s., and 9,590 acres (approximately) in Tahora sold at auction on the 15th April last for £10,009 10s.

To pay the more pressing of these claims the Board, in January and May, 1904, raised temporary loans on mortgage amounting to £12,742 8s. 4d., of which £2,742 8s. 4d. has since been paid off, leaving £10,000 outstanding at date, which is payable out of balances of purchase-moneys now owing to the Board.