

could manage and administer the letting, but always by public auction or tender. In this connection we quote in full section 12 of the Act :—

If the terms of any arrangement with the Native proprietors are such that the land for the use of settlers is to be disposed of by lease, the Governor may with the assent of the Native proprietors, to be ascertained as he may think fit, do the following things :—

- (1.) Manage and administer such letting or disposal by public auction or tender.
- (2.) By writing under his hand authorise any person to sign deeds on behalf of the Native proprietors, or a Native tribe, found by the Native Land Court to be owners of the land dealt with ; and his execution of any deed on behalf of such proprietors or tribe shall vest in the lessee the estate described in his deed. Deeds shall be translated into Maori before execution, and a copy given to the Native proprietors or one of them.
- (3.) For the convenience of lessees, appoint one or more receivers of rents, whose receipts shall be effective discharges.
- (4.) Make regulations for the payment of the expenses of the management of the property and the collection of the rents, and for the payment or division of such rents, and for the places, times, and manner of payment to the Native proprietors.
- (5.) Do any other thing necessary for conferring a valid and peaceful title upon a lessee in conformity with the terms of his lease.

By virtue of this Act the Crown has purchased in all the blocks containing hot or mineral springs. The only springs of any importance remaining in the hands of the Maoris are those at Tikitere on the Whakapoungakau-Pukepoto Block. The leasing provisions of the Act were put into operation in respect of one block only, the Pukeroa-Oruawhata, on which is the present township of Rotorua. The experience of the Arawa Tribe, more particularly of the Ngati-Whakaue Hapu, seems to have been a bitter one. The memorandum placed by us in the Appendix, and afterwards referred to by us, will show the views of the Ngati-Whakaue on the leasing of their lands by the Government. The experience did not popularise the system of leasing provided by the Act. This and the prohibition of private alienation largely account in our opinion for the present unproductive state of the Native lands in the district. The Maoris have long since spent the purchase-money of the lands sold to the Crown. They have no lands under lease to Europeans, and are cultivating very little of the land they hold.

To show how the special Act affects the Native lands in the Rotorua County we have ascertained that of such lands the area subject to the Act is 248,151 acres approximately, while 23,097 acres are not so subject. The area investigated by the Commission was 89,674 acres, and the particulars are set out in the Schedules, together with our recommendations. To explain these it is necessary for us to give a general description of the lands, to indicate some of the problems arising from the peculiar circumstances of the district, and to state the wishes of the Native owners.

The quality of the lands in most of the open fern blocks, particularly in the Rotomahana-Parekarangi Blocks, is not inviting to the pastoralist and grazier, although we are informed and believe that much of this land is suitable for pastoral runs. With the exception of the lands in the neighbourhood of Rotorua itself, where there may be a demand for residential sites, the fern land cannot be classed in our opinion as suitable for close settlement.

Timber Areas.

The forest land, on the other hand, is of good quality. Some of it contains milling-timber, which is probably the most valuable crop the land will ever grow. The Maori owners who appeared before us at Rotorua attached great importance to the timber, and insisted upon its disposal on the most favourable terms before the land itself is leased or otherwise dealt with.

It appears that, notwithstanding the provisions of the Act of 1881, agreements to lease timber areas in two blocks, Okoheriki 2c and Waiteti 2, were entered into between the Rotorua Mountain Rimu Company and some of the Maori owners. The company has been operating for some time, and has paid certain sums by way of royalty to the owners, and erected a mill, and constructed tramways. The agreements and certain differences between the parties were submitted for our consideration. We expressed the opinion that the agreements were void and barred by the Act of 1881. At the same time, we thought that if a fair bargain were made between the parties we should undertake to recommend Your Excellency to use the provisions