

mittees elected by themselves with the sanction of the Court. We are of opinion that, although the lands within the Thermal-Springs District may be incorporated under the section referred to, the Committees when elected have no power of disposal. But we think that these committees should occupy an important position in the scheme of settlement of the Rotorua lands. They should be authorised by Your Excellency,—

- (1.) To set aside and define the areas to be reserved for papakaingas and Maori farms.
- (2.) To specify the areas for leasing. The committee will in each case indicate the terms and covenants that would be agreeable to the Native proprietors to be comprised in the leases.

The committees will make the arrangements and give the assent contemplated by section 12 of the Act of 1881. In fact, in the matter of leasing, the committees should be allowed to make the necessary arrangements subject to Your Excellency's consent. And we propose that the President of the Waiariki Maori Land Board be authorised under subsection (2) of the said section 12 to execute the necessary deeds. The leases are required to be by public auction or tender, and the terms, conditions, and covenants can no doubt be framed so as to conform to the system of leasing Native lands in districts outside the Thermal-Springs District. We have set out in the Schedules the lands recommended for incorporation, amounting to a little over 40,000 acres. We believe that a much larger area will be dealt with in this manner when the titles are properly ascertained. The owners of Taheke and Okataina Blocks made tentative proposals for incorporation of subdivisions of these blocks, but as the matters are *sub judice* we have reserved our recommendations in respect of them.

For the purpose of sale the Act of 1881 restricts the market. The sole purchaser is the Crown. We think that in justice to the Maoris of this district, so long as the special Act is in force, the committees of incorporated blocks desirous of selling to the Crown should be advised and allowed to call in the services of an independent valuer to assist them in bargaining with the Crown, and in no instance should the Crown purchase until such a valuation has been made. This will remove the greatest objection to the existing system of Crown purchase, and encourage the Maori owners to enter into negotiations with the Crown for the acquisition of some of their surplus lands. The Ngati-Pikiao are in a position from the extent of their land-holdings to part with a proportion thereof without injury to themselves or their descendants; but they do not forget that other Native lands in the Thermal-Springs District have been acquired from them and their neighbours at very low prices.

The Rotorua hapus, except Ngati-Pikiao, cannot in our opinion be fairly said to have surplus lands for sale. They have not a large area available for lease, and the lands they now hold are the least suitable for pastoral purposes.

In respect of the lands within the Thermal-Springs District covered by this report we make the following recommendations :—

- (1.) That lands reserved for Maori occupation be not purchased by the Crown, except in the ordinary course of the administration of the Public Works Act.
- (2.) That, in regard to lands recommended to be leased (exclusive of incorporated blocks), the Board be empowered to carry out the provisions of section 12 of "The Thermal Springs Act, 1881," and to act as the agent (in Your Excellency's name) for the Native proprietors. Where lands are recommended to be leased to Maoris, we think that the provisions of Part II of "The Native Land Settlement Act, 1907," be applied *mutatis mutandis*.
- (3.) That, in regard to lands recommended for incorporation, the Native Minister make the necessary application to the Court. We have already indicated the method of dealing with lands of this character.
- (4.) That lands offered for sale be acquired by the Crown after the price has been fixed by proper valuation.

The Second Schedule contains lands within Rotorua County, but outside the Thermal-Springs District, which have been inquired into. "The Native Land