reserved for the Maori owners is only 70,000 acres, while the area for general settlement (including Motatau No. 2) is 90,000. We think that from 8,000 to 9,000 acres of Motatau No. 2 should be

set aside for Maori occupation as papakaingas and sections for lease.

We may here point out that the system of leasing provided in Part II of "The Native Land Settlement Act, 1907," sections 55 to 57, does not apply to areas set aside for lease to Maoris out of lands vested in the Board by virtue of section 8 of "The Maori Land Settlement Act, 1905," notwithstanding section 23 of "The Maori Land Claims Adjustment and Laws Amendment Act, 1907." The latter refers only to lands vested by virtue of section 4 of "The Maori Land Settlement Act, 1907." Motatau, Te Karae, and other blocks were vested under the Act of 1905. The result is that preference cannot be given to the owners, or to Maori tenants specified by them. The law requires amending to give this preference. Meantime the reservation of sections for lease to Maoris can be made, and their disposal await further legislation. The settlement of sections for lease to the general public will, of course, not be prejudiced or delayed.

3. Parengarenga and Pakohu.-Total area, 57,306 acres.

Dealing first with Parengarenga subdivisions, we understand that Lots A and C have not been disposed of. The Maori beneficiaries ask that these be reserved for their use. The papakaingas in Parengarenga, according to the lithograph attached, are three small reserves totalling 84 acres, near Parenga, and two, totalling 9511 acres, at Te Kao, on Parengarenga 5B No. 3. Block 5B No. 3 (2,725 acres) was reserved as a papakainga by the Native Land Court. The Maoris say they understood that in disposing of the land the Board would not interfere with this. But on survey The Maoris say they nearly 1,800 acres was cut out and thrown into Lot A. This action the Maoris seem to have strongly resented. They now ask that the original Block 5B No. 3 be reserved to them. This does not seem to us an unreasonable request, unless there were special reasons for including a portion of it in Lot A. As to the balance of Lot A, we do not see how the Maoris can manage so large an area of poor land They say they wish to work it on the incorporation system. We are of opinion that if they are to use it at all they should pay rent to the Board, so as to secure proper use of the land and the gum on it. Lot C, of 5,773 acres, should certainly be leased to them, or to those of their number who may be selected by the Board after conference with them.

Pakohu.—There is one main papakainga reserve of 708 acres at Te Hapua, and nine small reserves; total area, 112 acres. The main reserve, according to the Maoris, is not sufficient. It is alleged that a good deal of it is under water in the winter months. The Maoris wished a part of Lot E cut out and added to the reserve; but, as Lot E was leased, we pointed out that this could not be done. Lot G (872 acres) is, we understand, not under lease, having been abandoned. If this is so, the Maoris will be glad to have it reserved, and we recommend the reservation of this

section, if available.

No doubt the position of these lands presents many difficulties. They were vested in the Board by statute to save them from sale for survey liens. We understand that the revenue from rent and royalties has almost, if not quite, paid off the survey charges. The non-resident owners have not in the past benefited from the gum on these lands; the resident owners have enjoyed the benefits. Probably the action of the Board in requiring strict supervision over the gum resources of these lands, even in the papakainga areas, has been largely responsible for the recent tension of feeling among the Maoris.

Whatever is done to meet the wishes of the Natives at Te Kao and Te Hapua, the interests of

non-resident beneficiaries should be safeguarded.

The problem was presented to us in dealing with the papakaingas in these and other lands vested in the Board that no power exists for defining what beneficiaries shall have the use of the They are reserved, we take it, for all the beneficiaries, and if a dozen reserves were made in any block all the beneficiaries would be entitled to residence and use of each of them. of opinion that during the period of the leases the use of the papakaingas should be restricted to beneficiaries to be determined by the Board or other tribunal. Absentee owners should prima facie be excluded, so also owners who may take leases of sections. And as between resident owners, no one owner should have the use of more than one papakainga in a block. If this were not done, the difficulties of the communistic system would be intensified by the restriction of the beneficiaries to papakainga areas without defining their rights of user and occupation.

Other matters brought under our notice have been referred to the President of the Board for anation. We have, &c.,

explanation.

ROBERT STOUT, A. T. NGATA, Commissioners.

Hon. J. Carroll, Native Minister, Wellington.

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