

Memorandum for the Right Hon. the Premier.

Ohotu Block.

Office of Minister of Native Affairs, Wellington.

I THINK the question might be faced in the following way: The estimated annual rents for the whole of the sections will be about £3,300; assuming that two-thirds of the land is leased, the probable revenue will amount to, say, £2,200; then, by allocating £800 per annum as a sinking fund to cover a loan extending over a period of forty-two years (currency of leases), that should allow an immediate advance on the security of the land of £15,000. This would leave £1,400 for distribution amongst the beneficiaries, which would be increased to £2,500 when the whole of the sections were taken up, and, as each acre in the block is cleared and grassed, fenced, and dwellings erected, it would mean an addition to the capital value of £3 per acre, therefore forming a good security for any substantial loan for the purposes required. To open up a dray-road from the Wanganui River to the Ohotu Township would probably mean about £4,000. Therefore, as this is an arterial road, and estimating that the Government would give pound-for-pound subsidy, the expenditure of the £15,000 to be advanced to the Council would be absorbed as follows: For survey purposes, for subdivision of the block, &c., say £5,000; forty-four miles of roading of the bridle-track is estimated at £8,000; the Wanganui-Ohotu dray-road, £4,000; which would mean a total of £17,000: deducting the £2,000 subsidy from that would leave £15,000, the amount of the advance. This would give access to all the sections on the block. Further roading and widening of bridle-tracks into dray-roads could be borne under the Government Loans to Local Bodies Act, and by the forming of special-rating areas. Unfortunately, under the Maori Land Administration Act no Council can borrow from Government sources more than £10,000 in any one year on the security of the lands in its possession. So the expenditure proposed would have to be reduced accordingly. Even then I think £10,000 will be ample to road and prepare the land for settlement: this, of course, does not include the main roads that may be required to fit in with the arterial system of the colony. Those are colonial roads, and should be borne by the colony, though perhaps where they specially affect the block some principle of contribution might be agreed upon. Pending the raising of a loan on Ohotu, the Lands and Survey Department might arrange to do all the work necessary to farm horse-tracks, clear bush, and lay off road-lines.

J. CARROLL.

Memorandum for the President, Aotea District Maori Land Board, Wanganui.

Ohotu-Fields Track Road.

1st November, 1910.

WITH reference to your memo. of the 24th ultimo, in connection with the application of Wilkie and others for the opening-up of this road, the position is that the Board, having got to the limit of funds provided by Cabinet—£8,000—left a good deal of proposed work in abeyance. The position as far as this is concerned is that Mr. Wilkie saw the Board at Wanganui some time in February last, and subsequently discussed the matter with me, as to the procedure necessary for the expenditure of money to the best advantage. He recognized that the settlers would want a good deal more done than the Board would attempt, and, after discussion, I suggested that my estimate was that something like £1,500 would be required for expenditure on that portion of the road by the Board, and that if the settlers were prepared to rate themselves for a further sum of £1,500, then the £3,000 would be a good expenditure as from the Township Reserve towards Section 8, Block 18, Karioi Survey District. As, however, further expenditure was wanted between that and Fields Track, and also on the track, it was considered that, as individual blocks—namely, Ohotu Nos. 6, 7, and 8A (I think)—should bear a similar amount, and therefore the proposed scheme, as I understood from Mr. Wilkie, would be that they would form a larger rating district and borrow the sum of £4,500, of which I considered the Board's proportionate amount would be £1,500.

At that time I thought it might be advisable to withdraw from the £800 per annum payment to the Treasury on the present Ohotu liabilities and add this £1,500 to the balance owing Treasury, and obtain the money under the Act of last session; but subsequently, on going into the proposal, and remembering that on the £8,000 already expended the Board pays *no interest*, I found it would not be advisable to do so. I then suggested that if they could borrow £3,000 for the 36½ years at 3½ per cent. rate of interest it would mean £105 per annum, and I felt satisfied that if the Board contributed £52 10s. per annum as a subsidy for a period of eighteen years, say to the end of the existing term of lease, this would, I think, have been equitable. In fixing this period I take the assumption that on the revaluation, the rate being a direct charge on the land, it would be deducted as an improvement in favour of the lessee; or, in other words, as the land would be liable for the rate, the value on which the rate was paid would be deducted from the unimproved value of the land.

The settlers are entitled to some consideration, but the question is to do it for the greatest advantage to all at the least expense. There is a similar proposal in connection with the land on the Orua-Kukuru Road, made by Messrs. Somerville and others. I am not sure how the Board finally decided the arrangement.

As this expenditure would about wind up the Ohotu roading, I think it would be better to pay as a subsidy on the rate with the settlers than to borrow money under the Act of last session.

THOS. W. FISHER, Under-Secretary.