

considered the Government might pay. On 10th July, 1924, a memorandum was forwarded to the Under-Secretary, Lands Department, giving particulars as to the area, &c., and stating that £500,000 might with safety be offered as a basis of negotiations.

In 1925 a further Order in Council, dated the 25th day of August, 1925 (see *N.Z. Gazette* No. 61), was proclaimed whereby the date of the completion of the railway from Kakahi to Tokaanu was extended for a period of seven years as from the 1st day of January, 1925, provided the first eighteen miles of this railway were completed within three years from the 1st day of September, 1925, to be constructed in accordance with new specifications agreed upon by the company and the Public Works Department. The carrying-out of these provisions was dependent on the company or its assigns procuring Messrs. Cammell, Laird, and Co., with whom they were negotiating, or some other approved firm, to enter into a contract for the construction of the railway. The company failed to comply with these provisions.

In 1927 a petition was presented to the House by Keru Kapu and forty-seven others praying for legislation authorizing (1) the cancellation of the Tongariro Timber Co.'s agreement, and (2) the incorporation of all blocks subject to the agreement. The report of the Native Affairs Committee, of which the Hon. Sir Apirana Ngata was Chairman, recommended as follows: "That the petition be referred to the Government for consideration, with a recommendation that no extension be granted after the end of March, 1928, of the term within which the company may make financial arrangements for the construction of the railway."

In 1928 a petition by Te Pau Mariu and forty-one others was presented to the House repeating the petition of 1927 *re* the cancellation of the Tongariro Timber Co.'s contract. The report of the Native Affairs Committee, of which the Hon. Sir Apirana Ngata was Chairman, was, "That these petitions should be referred to the Government for consideration."

This brings us to the present position.

PRESENT POSITION.

The Tongariro Timber Co. has not carried out its undertakings with respect to the construction of the railway-line, has cut no timber, and is indebted to the Native owners in respect of royalties to the extent of approximately £22,000, in addition to owing various creditors a sum estimated at somewhere between £200,000 and £300,000. It is understood that, apart from the survey, the only work carried out in connection with the railway project was the formation of two or three miles by the Egmont Box Co. under its agreement with the company.

The following cash payments on account of royalty have been made by the company:—

Date of Payment.	Amount.		
	£	s.	d.
23rd May, 1911	1,025	0	0
12th April, 1912	1,537	10	0
12th November, 1913.. .. .	2,562	10	0
20th October, 1920	2,500	0	0
30th June, 1922	6,000	0	0
5th September, 1922	29,000	0	0
18th March, 1925	5,000	0	0
5th March, 1926	5,928	15	0
	<hr/> £53,553 15 0 <hr/>		

The total amount outstanding at the 28th February, 1927, was £11,187 10s., which, together with the two annual payments of £5,000, plus £250 commission, which fell due on the 1st March, 1928, and 1st March, 1929, respectively, gives a total of £21,437 10s. now owing, apart from any question of interest.

Some twelve months ago a syndicate known as the Tongariro Timber Syndicate was formed, its object being to form a new company to take over the rights of the Tongariro Timber Co. and discharge its obligations, computed to be somewhere in the vicinity of £300,000. This syndicate, represented by Mr. K. Duncan, approached the Hon. the Minister of Native Affairs, the Right Hon. J. G. Coates, with the following requests: (1) That the times for building the railway be extended by three years and ten years respectively; (2) that the time for payment of royalties due on the 1st April, 1928, be extended to the 1st September, 1928; (3) that a modified standard of line be agreed to, provided the consent of the owners be obtained; (4) that these concessions be granted to Mr. Duncan alone.

In his reply, dated 14th February, 1928, the Hon. the Minister of Native Affairs informed Mr. Duncan that with respect to (1) the Government could not see its way to grant any extension of time within which the company was bound to complete the construction of the line, but with regard to the other requests it was prepared to give sympathetic consideration to them, and also protect the company's rights in the meantime by refusing consent to any application under subsection (1) of section 19 of the Native Land Amendment and Native Land Claims Adjustment Act, 1915, as amended by section 19 of the Native Land Amendment and Native Land Claims Adjustment Act, 1921, and section 28 of the Native Land Amendment and Native Land Claims Adjustment Act, 1923: provided that on or before the 12th September, 1928 (being the date on which the company was required by the Order in Council of the 12th September, 1921, to complete the construction of the line), the proposed company was floated, arrangements made for the necessary finance for building the railway, all arrears of royalty were paid, together with 6 per cent. interest thereon while unpaid, also pay all outstanding rates and taxes, Board commission, and any other sums due by the Tongariro Timber Co., Ltd., under