

*Mr. Perry :* I think it has not gone up very much since then. I think some years ago the basis worked out at something over 4s. per 100 log feet, and I think the basis suggested now is 3s. per 100 log feet.

*The Chairman.*] We had evidence this morning that the value was vastly increased, Mr. Perry ?—In the parliamentary paper I.—3A, in which is set out the history of this matter and of the Tongariro Company (page 4), it states, “In 1908 the Stout-Ngata Commission took evidence on the question of the equity of the agreement between the vendors and the company, and came to the conclusion that it was in the interests of the Natives as well as in the public interest.” You will have noticed that from the outset the State, throughout the whole of the transactions, stood, as the guardian of the Natives, between the Native owners on the one hand and the Tongariro Timber Co. on the other. It was the paterfamilias of the Natives throughout the whole business.

*Mr. Williams :* When the State came into it at first it was either because the Natives had petitioned against the royalties being unpaid, or the company had applied for a further extension of time.

*Mr. Perry :* That may be so, sir, but when I say the State acted as paterfamilias right through, and took upon itself certain functions, what I meant to suggest was that the State did take upon itself in 1908 to set up the Stout-Ngata Commission to inquire as to whether the agreement was equitable.

*Hon. Sir Apirana Ngata :* It was an inquiry into the general conditions as to Native lands, and this matter concerning the Tongariro Timber Co. was one question put before the Commission.

*Mr. Perry :* Am I right in saying that prior to 1908 the State entered into the transaction, or at any rate took a beneficent interest in the transaction, by appointing the Stout-Ngata Commission. I think that must be conceded.

*Hon. Sir Apirana Ngata :* No ; the whole of New Zealand really came into line under the inquiry then ordered, and after the Commission had been sitting, and travelling around New Zealand for nearly twelve months, this matter was referred to it, but the Commission was not set up particularly for this matter.

*Mr. Perry :* I thought it was set up for this particular matter. But even so, that does not alter the fact, that at that stage the Government did refer it to the Commission.

*Hon. Sir Apirana Ngata :* It was not referred to it by the Government. It was brought before the Commission by the parties. We had a roving commission, and we could investigate anything we liked in regard to Native lands that was brought before us by the parties.

*Mr. Perry :* Do I understand that this matter was brought before the Stout-Ngata Commission by the Native owners and the Tongariro Co. ?

*Hon. Sir Apirana Ngata :* The parties approached Sir Robert Stout, and then we made our recommendation to Parliament, when there was introduced legislation to validate the agreement in 1908.

*Mr. Perry :* What I wished to impress on the Committee was the fact that the State almost from the beginning had acted as paterfamilias in the matter, because the Stout-Ngata Commission, which was set up by the Government, reported that the proposed agreements were in the interests of the Natives, and in the public interest, and then we find that in 1908 the Government passed legislation validating the agreements entered into between the Native owners and the company. So that, we submit, the State was interested in the matter right from the beginning, and that from the inception of the project the State has acted as a kind of intermediary between the Native owners and the company and its creditors. And, sir, we come to the final position that—when the Duncan syndicate, having had every reason to believe that the consent of the Government would be granted to the carrying-out of its project, found that that consent was not given, so that its project fell to the ground, and also found not only that the Government did not consent to the Duncan syndicate's project, under which the company and its creditors would have received very substantial payments, but had decided to take power to acquire the land—the only conclusion we can come to is that the State, having interested itself in the matter almost since the start, now takes power under the Act of last year to acquire this property. In pursuance of that power notice was given on the 9th November, 1929, to the company that within six months it must—(1) Pay up all arrears of royalty, which then amounted to probably some £25,000 or £26,000 ; (2) within the same period build the railway-line. Well, sir, did ever so heavy a hammer fall upon the head of any one so suddenly—within six months to find £25,000 or £30,000 ; and build the railway-line ?

*Mr. Endeane.*] On what standard was the railway to be completed ?—The original standard of 1921. The State did not say, “Because you have made default in payment of royalties, and in building the railway-line, we therefore terminate your agreement.” Instead of at the start doing that, they went on to say, “Your agreement is terminated unless you pay the royalties, and unless you build the railway within six months.”

*The Chairman :* That in itself constitutes a default.

*Mr. Endeane :* Supposing it had been a lease from the Natives to the company, and the Court was applied to for forfeiture, you say there should be considered the terms the Court would impose on the company regarding the relief.

*Mr. Perry :* Probably the payment by the company of at least part of the arrears of royalties, a substantial part ; and, secondly, some undertaking from the company that it would be in a position sometime in the six months to make a start with the railway-line—some conditions of that nature. Mr. Cooke says if it would have been a termination, in the last degree the company would go to the Court for relief against forfeiture, and the Court would have granted relief probably on some conditions the company would find itself capable of complying with.

*Mr. Endeane :* That would be fair and just.