

Was not the company in a position to be interfered with in some signal way?—I admit that.

What did it owe in 1921 in the matter of royalty?—I should say about £25,000.

It had built no part of the railway?—Yes, it had. It had not completed the railway, but at that time some £6,000 had been expended by the Egmont Box Co. on construction work—for the Tongariro Co., of course.

And the company accepted the provisions of the Order in Council?—With a pistol presented at its head, it did.

That happens in business?—I dare say, but I would suggest that the Government should not adopt such tactics.

I am wondering all the time, supposing all these claims were those of Maoris, and the owners and operators were pakehas, the Tongariro Timber Co., what would have been their attitude to the claims?—I do not think any of us Maoris want to adopt the attitude you have in mind.

*Mr. Endeian.*] If there had been no moratorium, and you had applied to the Court for relief against forfeiture, the company would not have complied with it, would it?—I do not know. It could not have complied with the terms at the time.

*Captain Rushworth.*] Do I understand that the company, at the end of thirteen years, required some consideration, but that you think that consideration should not have been an increase in the standard of the line, but an increase in the royalties?—That would have been better.

To the same extent?—Not necessarily to the same extent. As to the question of the increase of royalty, when the Duncan syndicate came along, it acted on that principle. It in effect said to the Native owners, "If you are prepared to revert to the original standard of the railway-line, we are prepared to increase the royalty by 20 per cent." The Native owners agreed to that.

*The Chairman.*] Do you consider that at the time that alteration in the standard was made the Government would have had a legal right to have terminated the agreement altogether?—I do not think so. I think the moratorium was still in force. It might have been able to determine it later on. However, that is an involved legal question.

*Hon. Sir Apirana Ngata.*] The moratorium was a concession?—There is no doubt about that.

The Native owners have been debarred since 1913 from exercising their remedies? They have no claim against that?—Their claims have been recognized in that they are getting the present-day value of their timber. I doubt if they could have got 1s. 8d. ten years ago.

*The Chairman.*] I want to be quite clear on this point: The original contract frankly failed in execution. This alteration in the standard of the railway-line was a condition for the extension of the agreement, as it were, for a further period?—It was. I have no doubt that was the intention of the Government—namely, to make it a condition of the granting of the extension of time asked for by the company.

*Mr. O'Brien.*] Did not the company suggest the improving of the standard of the line if it got the extension?—It did not.

*Right Hon. Mr. Coates.*] Why did the Government come into the matter at all in connection with the construction of the railway-line?—I do not know.

I think the Ngatituwharetoa knew very well why. What was the real object of the railway in the first place?—For the carriage of the goods and persons of the Native owners from the Western Taupo district.

From Waihi?—That was not the original intention.

Were you present when we went up the hill and looked where the line was to go?—That was a modification of the route originally laid down.

Before the modification was talked of. The position was that the Ngatituwharetoa Natives had for many years asked that access should be given to Taupo. They were afraid that the company would construct a line that would leave them in the air. At certain stages of the discussion it was pointed out by the Maoris that it was part of the conditions that permanent access should be provided. The standard of line set down in the agreement was in another company's line. In consideration of the extension of that, all that the Government asked for was that when the line was completed the railway-line should be competent and safe to carry the Government rolling-stock. That was the position. The question of increased royalty was never mentioned by the company?—Of course, it was not. I do not suggest that the question of increasing the royalty was not mentioned at all. I say that probably that would have been a fairer condition to impose.

Since that time it has been stated that to-day the road will carry timber. At that time road transit was not thought of as a means of carrying the products of the district. What was done was done in the interests and for the protection of the Maoris of West Taupo?—That is so.

*The Chairman.*] Do you not also represent some other interests?—Yes. I represent Mr. C. W. Neilsen, solicitor, whose claim, as shown in parliamentary paper G.-7, is for £569 9s. 6d. Mr. Neilsen's position is that he has been associated with the Heuheu-Grace party and my section of owners from about 1916 to date. We had to have a solicitor to do the actual legal work, and Mr. Neilsen was retained for that purpose. Under the Duncan project provision was made for the payment to him of £400, and under my proposition he is written down by 20 per cent., which reduces the amount payable in satisfaction of his claim to £320 if effect is given to my proposition. I endorse his claim, and think he is entitled to as much consideration as his principals—namely, the Heuheu-Grace party and my section of owners.

*Mr. Langstone.*] Is not the obligation on the Heuheu-Grace party to pay its solicitors?—The arrangement was that our costs and the costs of my Native party were to be paid by the company. I also represent the Heuheu-Grace debenture party, whose claim is set out in detail in claim No. 7 on pages 11 and 12 of G.-7. I also appear for myself and particulars of my claim are to be found on pages 9, 10, and 11 of G.-7. I appear finally for the Duncan syndicate, whose claim is set out