

so reverting equivalent to the amounts received by such owners from the company, and the company shall be jointly and severally liable with the owners of the trees so reverting for the amount of such pecuniary contribution; and provided, further, that the owners of the blocks of lands from which the trees shall have been cut, and the company, if the company shall have been compelled to make such pecuniary contribution, shall have a charge upon the lands and trees of the owners so reverting as aforesaid for the amount of such pecuniary contribution.

19. Maori owners are to have preference of employment.

20. The local and other rates are to be paid by the Maori vendors (see paragraph 16).

In making up an estimate of the cost of the timber to the company it would, we think, be fair to take £12 10s. as the average price per acre for the whole term of fifty years, as no doubt the greatest quantity would be taken during the first fifteen years.

From the tables (Appendix A) supplied to us it will be found that the estimate of timber on the area selected is as follows:—

	Per Cent.		Per Cent.		Per Cent.
Totara	.. 23	Kahikatea	.. 5	Maire	.. 2
Matai	.. 29	Miro	.. 8	Rimu	.. 33

The average superficial feet per acre of the selected area is about 35,200 ft.; and over the outlying area 12,700 ft.

Taking the average 35,200 ft., and the percentage of kinds, it will be found that £12 7s. per acre will give the following royalties:—

	s.	d.
Totara	1	2 per 100 ft.
Matai	0	8 „
Other timbers	0	6 „

And if the cost of paying the amount, $2\frac{1}{2}$ per cent., be added, and something allowed for the loss on the railway, it will be found that the cost to the company will much exceed these royalties.

The two main questions for our consideration are—

- (1.) Is this a fair and equitable agreement so far as the Maori owners are concerned?
- (2.) Is it such an agreement that in the public interest should be approved of?

1. We are of opinion that the agreement is in the interest of the Maori owners. The price to be paid, compared with prices paid for timber in similar districts, is fair (see evidence given before the Native Affairs Committee, Appendix to the Journals of the House of Representatives, 1903, I.—3A).

In considering the price, the advantage to the Maori owners of the railway which has to be constructed by the company cannot be overlooked. The railway will connect them with the North Island Main Trunk Railway, and give the Maoris an easy mode of access and egress to and from their kaingas and property, and will also insure an increase in the value of their lands. It will be the means of opening up the country round about Lake Taupo mostly belonging to the Maoris concerned in this agreement, which in the ordinary course of events would not be readily accessible for a very long period of time. The railway charges are to be the same as those charged on the Government lines. The construction of this railway will give valuable employment to the Maoris, and the employment that will be insured to them through the timber-works is of inestimable value. The Maoris have not the means of opening up their lands, and this must be done either by the Government or a company.

2. We are of opinion that the agreement is in the public interest. It will be the means of bringing a great area of land practically lying waste into profitable use not only to the owners, but to the Dominion. The railway proposed will be the means of opening up a new district and helping settlement. It may be said that such an agreement grants a monopoly of a large timber area; but