

much better bargain out of the project. In regard to myself and my party, I mentioned that we were owners. We are in rather a more fortunate position than the rest of the owners, inasmuch as we have quite a substantial holding in the accessible portions. We will be able to sell our accessible holdings and live on the proceeds of the sale until the remote portions have become accessible, which I do not think will be for twenty, thirty, or forty years. We are all right; but what about the others? This timber is their only asset, and under cancellation they will not get anything for twenty, thirty, or forty years. As it is, and under the project, they will get 1s. 8d. per hundred feet. I venture to suggest that as between the two—the project and cancellation—the project is the best for the Native owners. Of course, there is another course open to the owners—co-operation and consolidation. Both these courses have been mentioned, and it has been suggested that the Native owners should themselves raise the money and build the railway-line, as without a railway-line three-quarters of the timber is of comparatively little value, and it will only become of value when a railway-line has been built. This course is all right, but I do not think the owners would be able to raise the money, and it is therefore my view that it is in the best interests of the Native owners that the project should be gone on with. Now, that closes my exposition of the project, but there are one or two aspects of it upon which I wish to touch. The first is that the project is the last and the final concession to the Tongariro Co. When and if the Government's consent is granted to the project, notice of cancellation must be also given to the company, so that if for any reason the project is not carried out the Native owners get their land back, and there is wiped out and cancelled all the rights of the Tongariro Co. and its connections. The other point to which I want to draw your attention is this: This project emanates from the Native owners. It is an honest endeavour on their part to afford the Tongariro Timber Co. and its connections a reasonable opportunity to get something in return for their efforts. The position is that the Native owners have now, and have had for the last year, the legal right to cancel the rights of the Tongariro Timber Co., which means that it is only through their forbearance that that company and its connections have any prospects of getting anything out of their venture. This being so, the Native owners take upon themselves the right to determine what the company and its connections are to receive, and what they are to receive is set out in the project as outlined by me. In other words, as far as the Native owners are concerned, the project is an ultimatum to the company and its creditors, and they will not have any cavilling or bargaining for further benefits on the part of the company and its creditors.

*Mr. Howard.]* Mr. Grace, do you suggest that the notice of cancellation should be decided on here by this Committee?—Well, my suggestion is that the notice should be issued at the same time as the Government grants its approval to the project. The date should be fixed from which the Government's approval should take effect and when the notice of cancellation shall be given.

*The Chairman.]* And you want the notice to be given as early as possible?—We want the consent of the Government to the project and the giving of the notice to be made as early as possible—the notice to be in the terms of the resolutions which are on the file.

*Captain Rushworth.]* I am not quite clear as to what happens to the County Councils: are they going to recover their back rates under this scheme?—Yes, they will be paid about £1,600—whatever is owing to them—out of that £35,000 that I mentioned.

*The Chairman.]* That is covered by the provisions of this project you have outlined?—Yes.

*Mr. Martin.]* Do those County Councils get paid in full?—Of course, in full—to all they are entitled to.

*Mr. O'Brien.]* Mr. Hampson has said that you do not represent the majority of the owners interested?—Well, the names of my supporters are on record, and the matter can be very easily proved. The records will show that my own party and its connections own over one-fifth of the territory.

Is it in the interests of the Natives to pay this huge sum of money to the different syndicates that have got hold of the land from time to time?—I think it is. It is the only way. What is the alternative?—Cancellation.

*Right Hon. Mr. Coates.]* Mr. O'Brien is asking whether, by the mere process of cancellation, the opportunity to recover for their debts disappears?

*Mr. Hampson:* Well, if that question were put to me my reply would be that if we can get an assurance from the Crown that the Crown will stand between the interests of the English and other creditors, and protect the Natives from any claim by the English and other creditors, then the Natives would not have consented to these proposals; but because from neither yourself, Mr. Coates, nor the Hon. Sir Apirana Ngata, was it possible to obtain that assurance, and because, on the contrary, the Hon. Sir Apirana Ngata told the Natives that he feared the opinion of the Cabinet would be that if they washed out the English and other creditors very much the same furore and trouble would be occasioned as was occasioned in connection with the Midland Railway—in other words, if the claims of the English creditors were not protected the Government would not agree to the project; so it was decided by the Natives to make some provision for the English and other creditors. Of course, the Native owners have the first claim in respect of the royalties, but before they can get any profits the creditors must get their proportion. But it is only right that you should bear in mind that by legislation years ago the Crown prevented the Natives and any other creditors from taking action to liquidate the Tongariro Timber Co. It has been set up by the creditors that the Crown has debarred the English creditors from taking their legal rights, and it has been said that it is for the Crown therefore to protect the English creditors and reimburse them for the moneys they might have got. Now, as far as the Native interests are concerned, we are not concerned in that. We say we did not ask for that legislation. We protested against it. I placed on record the objections of the Natives to it.

*Right Hon. Mr. Coates:* On behalf of your section.