

the tramway standard. But the Natives' consent could not be got before his Government went out of office and the new Government came in. But in February of this year, three months after the present Government took office, the Natives did meet, under the chairmanship of the present Native Minister, Sir Apirana Ngata, and then and there renewed the concession to the company, and permitted the reversion to the timber tramway. This made the financing of the railway possible and within reach, because the money was available for the construction of such a line; and moreover, the new syndicate entered into a written and binding contract to dispose of 800 million feet of timber for over £2,500,000 in royalties and freight; and on the strength of that contract all the money was available, and is available now, providing the Government confirms the Native resolution—that is to say, providing the Government confirms the Native resolution without any embarrassing or harassing conditions. That is essential. If the Government confirm the resolution but attach embarrassing conditions, the money probably would not be available. That was the position which arose in 1921, when those embarrassing conditions—those fatal conditions—were issued by the Order in Council of September, 1921. Now, I claim that the Tongariro Co. has been re-established by that resolution of the 21st February, re-established by the only people who could re-establish it, the Native owners, overlooking any faults of the past, any delay, and recognizing, no doubt, as they must have recognized, as anybody must recognize who looks into this question, that the responsibility for this delay does not rest upon the shoulders of the Tongariro Co.—not one iota. I make bold to say that there is nothing before any right-minded man to support the contention that the Tongariro Co. has not fulfilled its obligations, up to the limits imposed upon it.

*Hon. Sir Apirana Ngata.*] Is not that pretty strong?—It is pretty strong. I claim that the Tongariro Co. has fulfilled its obligations, up to those limits.

What about the element of time?—The element of time does not come into the responsibility. I regret the delay on behalf of the Natives, who have been deprived of their full royalties all these years. But I assert that if it had not been for the raising of the standard to an insuperable level, the railway-construction would have gone on immediately after the war. I had the money in London for that purpose. I could find the money for that purpose now, provided it is for a railway at £4,000 a mile, and not for a railway at £13,000 a mile—£9,000 a mile more. When I was in London they asked me this: "What is your source of revenue for the railway?" "The carriage of timber." "What else?" "Nothing." "Any towns?" "No." "Any town at the terminus?" "No." "Any settlement?" "None." "Then, what on earth do you want with a railway costing £13,000 a mile, where there is no traffic but timber, and that only one way?" I want to give an explanation of the delay, and I say that the directors of the Tongariro Co. are not responsible for that delay. If you insist upon a Government standard railway it is impossible to find the money even now. Mr. Duncan has said so. His investors have already said, "We will find £4,000 a mile, but not £13,000 a mile." Criticism has been made against the Government over this, and I have always defended the Government. It has been stated that the Government deliberately raised the standard of railway. There is no doubt that the Government were thinking of the difficulty they had had with the low-standard railway on the Taupo Totara Timber Co.'s railway, and they thought they would get a railway here that would form part of the Main Trunk line from Kakahi to Rotorua, and be able to take it over without any loss to the company. I am quite sure that the Government issued that Order in Council in good faith, and I have consequently taken up that attitude, and have constantly defended the Government against this criticism.

*Mr. Martin.*] Then, what are you complaining about now?—I am not complaining: I am explaining.

*Captain Rushworth.*] Do you think it has only been a blunder?—No; I have no doubt the Government thought that as the timber had increased in value the Tongariro Co. could well find the money out of such a handsome property to build a Government standard railway, and that the Government could then take it over. They made provision to take it over. They intended to make it part of the Main Trunk line to Rotorua. Then there was a change in policy, and the Government ceased putting in branch lines; and Mr. Jones, the late Chairman of the Railway Commissioners, told me that under the new circumstances they were not building branch lines, and he did not think it fair to call upon any company to build a branch line of railway. So that the whole position from the Government point of view has changed since then. The new company should be permitted to revert to the original tramway standard, and that has been granted by the Natives, subject to confirmation by Cabinet. I only want to say a few words more and then I will have finished. The directors of the Tongariro Co. have come to the conclusion that, as eight months or more have been allowed to pass since the Natives passed that resolution on the 21st February, 1929, the Government must have in its mind a notion, which has always been present in the minds of every Government, and of everybody who knows anything about Tongariro, that this is a property that should not be in the hands of private speculators, but should belong to the State. Sir Robert Stout and Sir Apirana Ngata were members of a Commission that in 1908 reported to the Government that alienation should not be allowed—that this enormous property was sufficiently large to disorganize the whole of the timber industry, sufficiently large to be deemed a monopoly in the hands of a few people; that this 60,000 acres of solid timber—almost solid totara and matai—should not be in the hands of private individuals and be a monopoly for private enterprise. Sir Apirana Ngata and Sir Robert Stout reported to the Government that it should not be alienated—that is their report of 1908—but that, if the Government was not prepared to open the country up, then the terms between the Tongariro Co. and the Natives were fair and reasonable, and should be confirmed. Well, the Government was not prepared to open it up and work it, and consequently they ratified the agreement between the Tongariro Co. and the Native owners. The directors of the Tongariro Co. have now come to the conclusion that the Government must wish to take over this block, and prefer to do that, rather than