

STATEMENT REGARDING THE TONGARIRO TIMBER CO. AND THE WEST TAUPO FOREST LANDS,

By the Hon. SIR APIRANA NGATA, Native Minister.

THIS statement has been prepared in view of the proposal to refer the question of the Tongariro Timber Co., and its rights over certain lands in the West Taupo district, to the Native Affairs Committee.

HISTORY OF THE TRANSACTION.

This is summarized in a report prepared for the Commissioner of State Forests by officers of his Department, attached hereto and marked "A." That summary may be supplemented as follows:—

(1) In regard to the railway, the provisions in the 1908 deed were briefly as follows:—

- (a) The line is to be 3 ft. 6 in. gauge; 2,200 sleepers, of heart totara or matai, to the mile; not less than 30 lb. steel rails; curves not less than 2 chains; grade not steeper than 1 in 40; bridges of heart totara, iron, or concrete; cuttings at least 9 ft. and banks 10 ft. wide at formation level (clause 9).
- (b) The line was to be completed and supplied with the necessary rolling-stock by the 23rd December, 1913 (clause 10). This date was extended to the 1st March, 1916, by clause 5 of the deed of 1910, so that the company is now in default on this account.
- (c) The Board is to transfer to the company the fee-simple of the land necessary for the railway, so that the railway becomes the property of the company and not of the Natives, subject to the terms of the deed (clause 11).
- (d) The company undertakes "if it legally may" to "carry goods (other than timber and green and dressed flax) and passengers" at Government rates, but it is provided that "it shall not be compelled to work the said railway unless there is a payable traffic thereon" (clause 17). It is, however, provided by clause 19 that if the company fails during a continuous period of three months to run at least one train per week each way, and continues that default after notice, the Board may purchase the railway and rolling-stock at a valuation not exceeding cost. It is further provided (clause 30) that after the cancellation of the deed for any reason the company shall carry timber and green and dressed flax from the lands in the deed at Government rates.

The Natives claim that in consideration of this covenant they accepted one-half of the royalty payments they would otherwise have insisted upon; and emphasis has been laid upon the value of the railway to the interests of the Natives by the Commissioners in the report (G.-1T), 1908, by the recitals in the 1910 deed, by the President of the Aotea Maori Land Board in his report to the Native Department of the 17th September, 1914, and by the Natives in a petition to Parliament in 1920.

(2) In regard to the Egmont Box Co., preliminary to the agreement of the 23rd October, 1919, between the Tongariro Co. and the Egmont Box Co., by a further deed between the Board and the company dated the 24th October, 1913, approved by the Native Minister, the lands shown on the plan "B" as Western Divisions A and B, being the nearest blocks to the Main Trunk line, containing 259,305,000 ft. of timber, mainly rimu and white-pine, were put into a separate proposition, freed from the obligations under the main deed but subject to the obligation of constructing the first nine miles of the railway from Kakahi, and to the payment of the same royalties as in the main deed, with one-tenth of the payments in advance therein provided for. The reasons which induced the Board to enter into this agreement are referred to in paragraphs 10 and 11 (c) of the President's report above referred to.

The company then entered into a deed of agreement dated the 23rd October, 1919, with the Egmont Box Co. (the shareholders of which are the principal Taranaki dairy companies), which agreement has been approved by Order in Council published in *Gazette* No. 94, of the 18th November, 1919, under section 32 of the Native Land Amendment and Native Land Claims Adjustment Act, 1919. This agreement takes the place of the agreement referred to in section 5 of the Native Land Claims Adjustment Act, 1914. Its effect is that the Egmont Co. acquires the timber on the Western Division A Block (104,568,000 ft. log measurement), part of the separate area provided for in the 1913 deed, at a royalty of 3s. per 100 ft. (sawn measurement), and undertakes to find the capital for the construction of the first five miles of the railway from Kakahi, and, if called upon, to guarantee a sum of £30,000 and interest thereon towards the cost of a further four miles of the line, receiving in return (see clauses 26 and 30) the right to have any timber it may have on the company's line and its goods carried at Government rates till 1969 (? 1959. See clause 3 of Egmont deed).

The Committee will need to consider specially the position of the Egmont Box Co., and it would be advisable to hear that company in the present proceedings.