

which that Act is founded. It is clearly stated in the preamble, "Whereas it would be advantageous to the colony, and beneficial to the Maori owners of land in which natural mineral springs and thermal waters exist, that powers should be given to the Governor enabling him to make arrangements for effecting that object;" and, in perfect conformity with the principle here laid down, section 5 provides that, after a Proclamation has been issued, and after the land has passed through the Native Land Court, the Governor may make arrangements with the Native proprietors for rendering available the territory of the district for settlement by Europeans, and he may treat and agree for the gratuitous cession or for the purchase or for the lease of any lands which he may deem necessary for the purposes of the Act, and enter into any contract which he may think fit. Other powers of great importance are subsequently conferred; but the above are sufficient for our immediate purpose. There cannot be a doubt that the formation of a railway communicating with the principal town of the district is a most important element—perhaps the most important element—in the development of the district, and rendering the territory therein available for settlement by Europeans. The directors of the company therefore rely with considerable confidence upon the willingness of the Government to direct the use of the power reserved to it by the Legislature in furtherance of this great object; for without such aid the railway cannot be completed through.

They think, and respectfully request your approval, that the best way in which this may be done is authorizing them or their agent to obtain the necessary title through the Native Land Court, and afterwards to complete the arrangements upon such terms as can be settled with the Native owners, in the name of the Governor, who can afterwards execute the necessary deeds of transfer.

The intervention of the Frauds Commissioner will guarantee the Government a perfect intelligence on the part of the Natives of the nature of the transaction, and the execution by the Governor of the subsequent instruments will finally bring each operation under your consideration.

If you coincide with the views of the directors, and will give the necessary authority, they believe that they will be able to have the works in active operation before the close of the present summer.

I have, &c.,

JOHN BATGER,
Secretary.

The Hon. the Minister of Lands.

No. 2.

The Hon. the MINISTER of LANDS to the SECRETARY, Thames Valley and Rotorua Railway Company (Limited), Auckland.

SIR,—

Wellington, 12th December, 1882.

I have the honour to acknowledge the receipt of your letter of the 20th ultimo, in which, on behalf of the Thames Valley and Rotorua Railway Company (Limited), you seek to obtain the assistance and co-operation of the Government in carrying out the company's undertaking.

Your proposal is, as I understand it, that the Government should authorize the company or their agent to obtain the necessary title to lands in the Thermal-Springs District through the Native Land Court; that the company should complete the arrangements for acquiring the lands upon such terms as can be settled with the Native owners, who should afterwards execute the necessary deeds of transfer to the company. The company would thus obtain a security to offer to the public upon which they would be able to raise the necessary funds.

The proposal has had the careful consideration of the Government, with a desire to afford every facility for opening up the lands now proclaimed under the Thermal Springs Act of 1881. But, though it appears, as I understand is contended by you, that the Act gives power to the Governor to obtain lands by cession for the purposes of the Act, there does not appear to be any provision made for dealing with such lands as proposed by you.

I have, &c.,

The Secretary,
Thames Valley and Rotorua Railway Company.

W. ROLLESTON,
Minister of Lands.

No. 3.

MEMORANDUM for the MINISTER of LANDS.

THE Thames Valley and Rotorua Railway Company (Limited): This railway was formed for the purpose of forming a communication by railway from Auckland to the Lake District, by constructing a line from the Government railway at Morrinsville to Ohinemutu.

The greater part of this line passes land belonging to Europeans, and the assistance afforded to enterprises of this description by the Railways Construction Acts suffices, through the medium of rates on the adjoining lands, to enable the company to raise the necessary capital, and affords reasonable grounds for believing that the work will be attended by moderate commercial success.

But the easterly half of the proposed line passes entirely through Native land, and the Legislature has conferred no powers of levying rates on such lands, and, as this district of the country traversed has no population except at the terminus, that part of the undertaking could not be commercially successful, even if the company could obtain the necessary capital.

The company, therefore, have been in communication with the Native owners of the land traversed, and of other lands in the neighbourhood likely to be benefited by the construction of a railway. The company called meetings of the Native tribes and informed them of the proposal to make a railway connecting the Lake District with Auckland; that over the portion of it which went through European territory the company would have the power of levying an annual rate, but that