

The directors, who on their own behalf, as also on behalf of the shareholders as a body, repudiate any ulterior project beyond the financially securing the construction and safe maintenance of the line, deem that they are warranted in asserting that if the Government will move His Excellency the Governor to execute the agreement—draft of which is enclosed—every difficulty will be removed.

The directors accept the position that in any cession of land from the Natives to the company such cession will be hedged with whatever conditions His Excellency the Governor may deem just and honourable between the contracting parties.

The deputation to wait upon Ministers will proceed to Wellington by the first opportunity.

I have, &c.,

J. LOGAN CAMPBELL,

Chairman T.V. and R. R. Company.

The Hon. W. Rolleston, Wellington.

Enclosure in No. 16.

AGREEMENT made between His Excellency Sir William Francis Drummond Jervois, Governor of the Colony of New Zealand, of the one part, and the Thames Valley and Rotorua Railway Company (Limited), of the other part.

WHEREAS, in the session of the General Assembly held in 1881, an Act was passed called "The Thermal-Springs Districts Act, 1881," which recited that 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 such localities should be opened to colonization and made available for settlement; and that it was expedient that powers should be given to the Governor, enabling him to make arrangements for effecting that object; and, by the said Act, the Governor is empowered, from time to time, to issue Proclamations defining districts of the colony to be subject to the said Act, and it is provided by the said Act that, after the publication in the *Gazette* of any such Proclamation, it should not be lawful for any person, other than Her Majesty, to acquire any estate or interest in Native land therein, except by virtue of or through the means prescribed or permitted by the said Act: And whereas, on the 27th October, 1881, a Proclamation was published in the *Gazette* defining a district of the colony to be subject to the said Act, in which the lands hereinafter referred to or to be affected by this agreement are comprised: And whereas it is further provided by the said Act that, after the issue of any such Proclamation as aforesaid, 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 may from time to time exercise any of the powers set forth, amongst which powers are the following: He may treat and agree for the gratuitous cession or for the lease of any land which he may deem necessary for the purposes of the said Act, and may enter into any contract which he may think fit, and may execute all deeds and assurances which may be necessary for effectually executing the powers by the said Act conferred upon him, and such deeds shall be valid and effectual against Her Majesty and all persons whomsoever: And whereas the said district so proclaimed as aforesaid, and the Township of Rotorua comprised in a district previously proclaimed under the said Act, is at present almost inaccessible, except during the summer months, by reason of the badness of the roads and means of access thereto, and such districts can only be effectually opened to colonization and made available for settlement by Europeans by the formation of a railway from the Government lines of railway communicating with Auckland to the new Township of Rotorua: And whereas the said company was formed for the purpose of constructing such railway, but it has become evident that the necessary funds cannot be raised without considerable assistance from the Native owners of the land to be benefited thereby, in the shape of gratuitous cession of land or other territorial arrangements which may enable the said company to float their debentures in the English market, and the owners of the said lands are willing to render such assistance, and the said Governor is desirous of exercising all or any of the powers conferred upon him by the said Act in furtherance of the said objects, and for effectually opening up the said districts for colonization and settlement by Europeans, in pursuance of the true intent and meaning of the said Act: Now, this agreement witnesseth that the Governor will enter into any contract under the power hereinbefore recited for the purpose of accepting any gratuitous cession or a lease or other transfer of any land from the Native owners thereof, and will execute and carry out the powers and trusts expressed in the respective instruments transferring or dealing with the same so far as the same shall be in furtherance of the formation and maintenance of the said railway or any part thereof, or for raising funds therefor, or for the mutual benefit of the land and the said Railway Company: Provided always that, if the Governor at any time in his discretion shall think that the said company have obtained under the operation of this agreement sufficient endowments to enable it reasonably to proceed with its undertaking, he may give notice to the said company that this contract shall terminate, and after the receipt by the said company of such notice the obligation hereinbefore contained to make contracts and accept transfers, and to execute and carry out the several powers and trusts thereof, shall cease to have any force.

No. 17.

MEMORANDUM as to Agreement with Natives under "The Thermal-Springs Districts Act, 1881."

THE Government will prepare to enter into arrangements with Natives in thermal-springs districts, in terms of section 3 of the Thermal Springs Act, to act as agents for them to deal with their lands, agreeing—

1. As to lands to be sold absolutely for settlement to the public;
2. As to lands to be leased in perpetuity for the benefit of the Natives;