

1883.
NEW ZEALAND.

NATIVE LANDS AFFECTED BY "THE THERMAL- SPRINGS DISTRICTS ACT, 1881"

(CORRESPONDENCE RELATING TO).

Return to an Order of the House of Representatives, dated 10th July, 1883.

Ordered, "That there be laid on the table copies of all correspondence between the Government and the Thames Valley-Rotorua Railway Company in reference to certain Native lands affected by the operation of 'The Thermal-Springs Districts Act, 1881.'"—(Mr. Dargaville.)

No. 1.

The SECRETARY of the THAMES VALLEY AND ROTORUA RAILWAY COMPANY (LIMITED) to the
HON. the MINISTER of LANDS.

SIR,—

Auckland, 20th November, 1882.

I have the honour, by order of the directors of the Thames Valley and Rotorua Railway Company (Limited), to communicate with the Government with the view of obtaining their assistance and co-operation in carrying out this company's undertaking.

You are aware that the greater portion of the proposed line passes through territory belonging to Europeans. Parliament has made provision for aiding the formation of railways under ordinary circumstances of this description by rendering land liable to rates, and by enabling the Government to make cessions of Crown lands by way of endowment. The exercise of this power has been deemed by the directors sufficiently satisfactory to justify them in proceeding vigorously with their undertaking so far as their line passes over land the Native title to which has been extinguished. But for nearly twenty miles at the Rotorua end of the proposed railway the line, which has now been definitely settled, traverses land entirely the property of aboriginal natives, situate within the district proclaimed to be under the operation of "The Thermal-Springs Districts Act, 1881."

With respect to this portion of the undertaking the directors will obtain no assistance by way of rates on adjoining landowners, nor can they expect from the Government grants of land in aid of sufficient importance to justify them (even if they could raise the necessary funds) in proceeding with its formation. The country at this end of the line is entirely destitute of inhabitants, and the directors can anticipate no traffic of any importance except the through traffic from the Town of Rotorua; but the question whether this portion of the line would pay or not need not be raised, for the directors feel that, in the absence of any security to offer to the public beyond the ordinary profits of the railway, they would be unable to raise the necessary funds, as appeal to the money-market would be fruitless.

The directors feel that they need not enlarge upon the great advantage—in fact, the absolute necessity—of a railway for the prosperous existence of the new township of Rotorua; nor need they refer to the certainty of its rapid growth when once such a mode of communication shall have been established.

The directors have reason to believe that the Native owners of the lands near Rotorua would willingly assist the undertaking by making grants of land in aid of sufficient importance to form a valuable security and facilitate the floating of their debentures. Whether these endowments will take the form of absolute grants, or will be arranged on the basis of a partnership transaction, is a question of detail which will have to be settled in accordance with the wish of the Natives; but, as several of the principal Natives are to be directors of the company, the latter alternative will probably be the system ultimately adopted, especially as this principle permeates the Native Reserves Act of last session, and has already commended itself to the approbation of thinking men of both races.

But "The Thermal-Springs Districts Act, 1881," prohibits any dealings with these lands by any person other than the Governor; and I am now led up to the consideration of the principle upon

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

no such power was given to it by Parliament over Native lands; that the company would therefore be unable to construct the easterly portion of the line unless the Natives rendered assistance; that this assistance might be in one or more of three forms: (1) To cede gratuitously a portion of their tribal estate as an endowment for the railway; (2) to convey to the company a larger parcel of land, which the company, after completion of the railway, would sell, dividing the profits; (3) to take shares in the company, paying for them with land.

The tribes very readily promised the required aid, some preferring one mode and some another, and the directors have reason to believe that the aid thus tendered will be sufficient to enable it to raise the capital required, and will commercially justify it in making the line.

The directors now respectfully request the co-operation of the Government and its assistance under the powers conferred upon it by "The Thermal-Springs Districts Act, 1881." After forbidding acquisition of land by any private person in any district proclaimed under the Act, it provides that 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 for the gratuitous cession, or for the purchase, or for the lease of any land which he may deem necessary for the purposes of the Act, and may enter into contracts which he may think fit." With the exception of a narrow strip all the land referred to is included in a Proclamation issued under this Act.

The preamble of the Act clearly sets forth the intentions of the Legislature, and the reasons which actuate them in passing it. It states that it would be "advantageous to the colony, and beneficial to the Maori owners of the land in which natural mineral springs and thermal waters exist, that such localities should be open to colonization and made available for settlement."

It appears to the directors that it would be "advantageous to the colony," and that it would be "beneficial to the Maori owners of the land" (an opinion in which the latter completely concur), that the proposed railway should be made, and they know of no mode more conducive to "the opening-up of the country to colonization, and making it available for settlement."

The directors are advised that, if the Government are of opinion that the formation of railway communication with Auckland will assist "in rendering the territory of the district available for settlement by Europeans," it is ancillary to the purposes of the Act, and the powers before stated may be exercised by the Governor.

As the Native owners are willing and anxious to co-operate with the company in the direction indicated, it is anticipated that the Government will have no difficulty, and will experience no delays in making arrangements and entering into contracts authorized by the Act.

The methods which may be subsequently adopted for executing the trusts thus to be created by the Native owners will present no difficulty, and may be left for future arrangement, thus giving the Government the fullest power of fixing the terms and conditions on which the lands for this public object may be given.

The directors therefore venture to hope that the Government will assist the company and the Native owners in carrying out their now joint enterprise, respecting the public importance of which they need not enlarge.

Auckland, 26th February, 1883.

J. LOGAN CAMPBELL,
Chairman.

No. 4.

Dr. J. LOGAN CAMPBELL to the Hon. Mr. BRYCE.

SIR,—

Auckland, 26th February, 1883.

Referring to the interview which the directors of the Rotorua Railway Company had the honour of holding with you and the Hon. Mr. Rolleston this morning, it has occurred to me that a legal difficulty will obstruct the accomplishment of the object which the Government and the company have in common, if the land in the Thermal-Springs Districts is purchased by the Government under the Land Purchase Proclamations. It would then apparently be out of the power of the Government to deal with them in any manner other than that directed by the Waste Lands Act.

"The Thermal-Springs Districts Act, 1881," affords the only legal method of acquiring land for the assistance of the railway beyond the endowments sanctioned by the Railways Construction Act. You will pardon me for pointing out to you a difficulty to be avoided.

The Hon. J. Bryce, Auckland.

I have, &c.,
J. LOGAN CAMPBELL.

No. 5.

The Hon. Mr. BRYCE to Dr. J. LOGAN CAMPBELL.

SIR,—

Ohinemutu, 1st March, 1883.

I have the honour to acknowledge the receipt of your letter of the 26th instant, pointing out that land acquired by purchase on the part of the Government within the Thermal-Springs District can only be dealt with under the Land Act and the Railways Construction Act. In reply, I may state that this is undoubtedly so; but I have to add that the provisions of the latter Act are extremely liberal in the possible assistance to be rendered to a railway company: moreover, land, after it has been acquired by Government, might easily be so disposed of as to make it subject to the rating powers of the Railways Construction Act. With respect to acquiring land from the Native owners for the assistance of the railway company, I have to remark that in no case can this be made a primary object on the part of the Government. The objects of the Government in making an agreement with Native owners of land under the Thermal Springs Act will be to preserve the

interests of those owners and promote the opening and settlement of the country. So far as the objects of the company are coincident with these objects, you are, of course, right in supposing that the Government and the company have objects in common.

Dr. Campbell, Auckland.

I have, &c.,

JOHN BRYCE.

No. 6.

Dr. J. LOGAN CAMPBELL to the Hon. Mr. ROLLESTON.

(Telegram.)

2nd March, 1883.

THE directors of the Rotorua Railway Company respectfully request a reply whether the Hon. the Minister of Lands and the Hon. the Minister for Native Affairs are prepared to act under the Thermal-Springs Districts Act in furthering the objects of the Rotorua Railway Company, as set forth in the memorandum of the 26th February, laid before them and discussed at the personal interview on that date.

Hon. W. Rolleston, Ohinemutu.

J. LOGAN CAMPBELL,
Chairman of Company.

No. 7.

The Hon. Mr. ROLLESTON to Dr. J. LOGAN CAMPBELL.

(Telegram.)

Ohinemutu, 3rd March, 1883.

I RECEIVED last night your telegram of yesterday's date, asking if the Government is prepared to act under the provisions of the Thermal-Springs Act in furthering the object of the Railway Company, as set forth in your memorandum of the 26th February, laid before Mr. Bryce and myself, and discussed at our interview on that date. In reply, I have to state that Government has been and is in communication with the Natives on the subject of bringing their lands further under the operation of the Act by agreement, and setting apart and ceding portions to promote railway construction through the district. Should they be successful in promoting the object which they have in view, and when they know what the Natives are willing to consent to, Government will be in a position to consider proposals from the company in respect to the Thames-Rotorua Railway. I regret, however, to have to state that since our interview, and concurrently with their efforts to promote this desirable end, Government have been informed efforts are being made, which are understood by the Natives to emanate from the company, to impede the dealing of Government with Natives as provided by law, and to substitute a dealing presumably through another agency unauthorized by the law. If such a course be pursued, it is needless to point out that public interests, and the prosecution of public works, which the Government desire to see in progress, will be seriously prejudiced. Mr. Bryce has replied by post to your letter of the 26th ultimo.

Dr. Logan Campbell, Auckland.

W. ROLLESTON.

No. 8.

Dr. J. LOGAN CAMPBELL to the Hon. Mr. ROLLESTON.

(Telegram.)

Auckland, 5th March, 1883.

TELEGRAM of Saturday only received this morning. The directors Rotorua Railway accept with cordial thanks and with feelings of great relief the assurances contained in your message. The directors have not moved in the direction intimated in the closing paragraph of your message, resting content the Government had fullest power under the Thermal Springs Act, and fully anticipating such power must be exercised to bring about the great public work the company has undertaken.

Hon. W. Rolleston.

J. LOGAN CAMPBELL,
Chairman.

No. 9.

Dr. J. LOGAN CAMPBELL to the Hon. Mr. ROLLESTON.

(Telegram.)

Auckland, 9th March, 1883.

HON. W. ROLLESTON's telegram 3rd instant and Hon. J. Bryce's letter 1st instant still leave the negotiations with railway company so indefinite that company can take no business action with regard to construction of second section of line to complete railway to Rotorua. Company therefore beg to be informed, in explanation Mr. Bryce's letter, if it is from land acquired under the Government Land Purchase Act, which enables endowments for railway purposes to be subsequently made under the Railways Construction Act, that the company are to look to the Government. As the company fail to see sufficient endowment could be granted, even if it were possible within a few years much land could be disposed of by Government to make it subject to rating powers of Railway Construction Act, which it could not be, it becomes inevitable that, if the railway is to be constructed now, the Government must act under the Thermal Springs Act; and the company beg to submit the question whether or not the Government is prepared to sanction and carry out the proposition No. 2, as defined in the memorandum of 26th February, the company having reason to believe the Natives would be prepared to cede the necessary land on those terms to the Government on account of the company. This telegram has been sent also to Hon. John Bryce.

Hon. W. Rolleston.

J. LOGAN CAMPBELL,
Chairman.

No. 10.

The Hon. Mr. ROLLESTON to Dr. J. LOGAN CAMPBELL.

Wellington, 13th March, 1883.

I HAVE received your telegram of the 5th instant, expressing the satisfaction of the directors of your company with the terms of my telegram of the 3rd instant. I have subsequently received your telegram of the 8th instant, in which you request me to furnish explanations of Mr. Bryce's letter of the 1st instant, and raise questions which, if I understand them aright, were disposed of by my telegram and by what passed at our conference in Auckland. I am not sure that I am right in my understanding of your telegram, and, in Mr. Bryce's absence, I can only repeat the assurances given in my telegram of the 3rd instant. I am, further, in a position to say that the communications I have had with the Natives on the subject of dealing with their lands for the purposes of railways and otherwise are so far of a satisfactory character, and that I have no doubt that, if no further interference of third parties take place, and the Natives are brought to understand that all dealings must be primarily with the Government, satisfactory arrangements will be made both for the settlement and cession of lands for railway construction.

Will you kindly supply me with correct copy of your telegram of the 8th instant, which contains some errors in transmission?

J. Logan Campbell, Esq., Auckland.

W. ROLLESTON.

No. 11.

Mr. W. J. BUTLER to Dr. J. LOGAN CAMPBELL.

Auckland, 20th March, 1883.

SIR,—

I am directed by the Hon. Mr. Bryce to express to you his regret that your telegram of the 8th instant should have remained so long unacknowledged; but for some unaccountable reason it has been nine days in reaching him. I am to say, however, that Mr. Rolleston has informed Mr. Bryce that he has replied, and, as Mr. Rolleston has the papers and correspondence, and the administration of the Thermal Springs Act resting with him, a reply from Mr. Bryce is considered unnecessary.

I have, &c.,

W. J. BUTLER,
Private Secretary.

J. Logan Campbell, Esq.

No. 12.

ROTORUA RAILWAY.—MEMORANDUM.

A DEPUTATION of Dr. Campbell, Messrs. J. M. Clark, Thomas Morrin, T. Peacock, M.H.R., James Stewart (engineer), and J. Batger (secretary), waited on me to-day in reference to this railway.

The deputation desired to know what were the views of the Government as to promoting the work. I replied that the Government desired that the railway should be made as speedily as possible, and would facilitate the arrangements necessary to insure the construction; and I added that the correspondence I had read between the Minister of Lands and the company showed that that was so in my opinion.

I explained that the Proclamation under the Thermal Springs Act was prepared by myself, and the responsibility of including the quantity of land so much objected to rested with me; and the object was—

1. To embrace all the valuable springs, so as to make them available for the public, and to concentrate the work as much as possible so as to make one strong settlement, and prevent a number of publichouses springing up all over the country wherever there happened to be a mineral spring acquired by a European;
2. To promote the interests of the railway, by securing an endowment, or rather placing the land in such a position that it could not be bought up by individuals in large blocks, thereby preventing the means of securing an endowment; and
3. To secure that the land should be occupied by numerous *bonâ fide* settlers, on the line of railway especially. The Government had no intention of making any profit out of the land, but would only be recouped the actual expenditure incurred.

Mr. Peacock asked if there was any objection to the directors of the Railway Company interviewing the Natives with a view to explain their plans. I replied that the Government could not prevent the directors taking that course if they thought fit, but that it appeared to me premature and unwise, and I advised it not to be done; that in my opinion the first thing to be done was to get the land passed through the Native Land Court; that until then no steps should be taken to enter on the land phase of the subject, but when that preliminary step had been taken the Government would be prepared to act in the way they deemed best calculated to procure the construction of the railway and the settlement of the land.

4th April, 1883.

FRED. WHITAKER.

No. 13.

MEMORANDUM by Dr. J. LOGAN CAMPBELL for the Hon. the PREMIER.

2nd May, 1883.

THE directors of the Rotorua Railway Company submit that the Government is in a position to acquire under the Thermal Springs Act certain blocks of land which have passed the Native Land Court, and, the said Act providing for the gratuitous cession by the Natives to the Government,

such land might be handed over to the company as an endowment, thus enabling the company to proceed with the construction of its railway, and fulfilling one of the purposes for which the Thermal Springs Act was passed.

The construction of a great public work will thus be secured, without cost to the revenue of the colony, and at once establishing the Rotorua Township as a success.

The company could not have approached the Government in asking it to secure the cession of the lands in question without having first ascertained the Native mind on the question.

The company has reason to believe the Government will find a general willingness on the part of the Native owners to assist the company in such a manner as will enable it successfully to carry out its undertaking; but immediate action is imperative, so that the land endowments may be financially available. The company can almost with authority state that the necessary consent of the Native owners—numerous as they are—could at once be obtained if the Government would appoint Mr. Edwards to take advantage of the present willingness of the Natives to cede the land and obtain their signatures, which would thus secure the necessary acquiescence from them in anticipation of the individualization of their titles, on which being passed through the Land Court the Government would be in a position to immediately transfer the land to the company on such terms as it deemed the Thermal-Springs Act demanded to secure the interests of the Natives as well as those of the public.

The directors respectfully request the Hon. the Premier will lay this memorandum before the Hon. the Minister of Lands and the Hon. the Native Minister, so that an early reply may be granted to the company as to the action the Government intend to take.

The Hon. the Premier.

J. LOGAN CAMPBELL,
Chairman.

No. 14.

Dr. J. LOGAN CAMPBELL to the Hon. the PREMIER.

(Telegram.)

18th May, 1883.

THE Board of Directors Rotorua Railway are anxious to know decision of Government on the memorandum handed the Hon. the Premier, bearing date 2nd instant, as the necessity of taking advantage of existing frame of mind of the Natives becomes every day more apparent.

The Hon. F. Whitaker, Wellington.

J. LOGAN CAMPBELL,
Chairman.

No. 15.

The Hon. Mr. ROLLESTON to Dr. J. LOGAN CAMPBELL.

(Telegram.)

22nd May, 1883.

YOUR memorandum of the 2nd of May has been considered by Ministers. Government has already issued instructions prescribing the course to be taken by an experienced officer in obtaining the consent of the Natives to the Government dealing with their lands for the purposes of settlement, for cession for railway construction and otherwise. A copy of a memorandum on the subject will be furnished you by the Commissioner of Crown Lands in Auckland. Instructions will be given to expedite the action to be taken in accordance with this memorandum, or with such modifications as particular circumstances call for; and Government will also take steps to obtain at an early date such a report as will enable them to determine the particular blocks of land which must remain inalienable from the Natives or the Government, so that on the Natives' assent being given there may be as little delay as possible in giving effect to the general intention of the Thermal Springs Act.

J. Logan Campbell, Esq., Chairman,
Thames Valley and Rotorua Railway Company, Auckland.

W. ROLLESTON.

No. 16.

Dr. J. LOGAN CAMPBELL to the Hon. Mr. ROLLESTON.

SIR,—

Auckland, 30th May, 1883.

I have the honour to acknowledge receipt of your telegram of the 22nd instant.

The copy of the agreement alluded to therein has been handed to me by the Commissioner of Crown Lands for Auckland.

The Board of Directors, after mature consideration of the telegram and the agreement, have had the conviction painfully forced upon them that, if the action as defined by the above-named communications is adhered to, the construction of the second section of the Rotorua Railway may be considered as virtually at an end, not only for the present, but for many years to come.

The directors regard the position as one of such gravity that they deem it necessary that a deputation from their body proceeds to Wellington to personally make a final appeal to Ministers to retire from the antagonistic position assumed, and, by acting in accord with the company, enable it to proceed with the great public work which has been so successfully inaugurated in so far as the first section of the line is concerned.

The directors most respectfully submit that the time has now passed away when the Government can with any reasonable hope of success approach the Natives to carry out such negotiations as are necessary between them and the Railway Company to secure the construction of the railway through the Thermal-Springs District.

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;

3. As to lands to be ceded in return for railway construction ;
4. As to townships, not making conditions as to doctors, hospitals, and other details of a like character.

The Natives must apply for the survey by the Government of lands which they desire to place in the hands of the Government, and also apply for them to be brought before the Court, in terms similar to those prescribed by section 31 of "The Native Reserves Act, 1882," so as to obtain certificate and order of Court. The Government will then, when the order is obtained, enter into an agreement embodying the terms of the arrangements which were previously determined on.

No dealings with any outside person will be recognized by the Government either as to the timber or anything else, and the Government will not withdraw any lands from the operation of the Thermal Springs Act in favour of any person or company.

Lands ceded for railway purposes should as far as possible be along the proposed line of railway in alternation with the lands to be sold or leased.

Thermal springs will not in any case be alienated. Ample residence reserves should be insisted on and confirmed by the Court, and made inalienable by the order. Deductions to be made for the expenses of survey, advertising, &c., should be determined in the same manner as is provided for in "The Native Reserves Act, 1882," section 9; and generally the administration should follow as closely as possible the provisions of that Act.

3rd March, 1883.

W. ROLLESTON.

No. 18.

The Hon. Mr. ROLLESTON to Dr. J. LOGAN CAMPBELL.

General Crown Lands Office, Wellington, 7th June, 1883.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 30th ultimo, enclosing a draft agreement between the Governor and the company, which, you submit, would be a means of removing any difficulties which the company experience in their endeavours to promote the construction of the railway to Rotorua.

Since I received your letter I have been favoured by an interview with yourself and Mr. McCosh Clark, and had the opportunity of explaining to you that there is no power, so far as the Government is aware, on the part of the Governor to enter into any undertaking such as that contemplated in the draft agreement forwarded by you; such an agreement being, as I am advised, *ultra vires*.

The Government has already, as I informed you, made arrangements by which the dealing with the lands in the Thermal-Springs District will be expedited.

A sitting of the Native Land Court will be held during the present month, at which the title to the Rotorua lands will be investigated, and Mr. Clarke, an officer of high standing, and well known by the Natives in the district, has been engaged to proceed with negotiations as contemplated by the Thermal Springs Act on the part of the Government. He will probably be in Rotorua for the purpose next week.

You will gather from what I have stated that the Government is not prepared to enter into any agreement which would devolve upon the company functions which under the Thermal Springs Act belong exclusively to the Crown, acting with the consent and on behalf of the Natives, and which in accordance with the intention of the Legislature have to be exercised alike in the interests of the public, the Natives, and the railway.

I trust that the explanations which have been afforded to you will satisfy you that not only is there no antagonism on the part of the Government to the prosecution of the Rotorua Railway, but that they are desirous to forward it in the manner contemplated by the Act, in the interests of all parties concerned, and so as to avoid future complications which would at least retard rather than facilitate the object in view, an object which the Government no less than the company desire to attain.

With regard to the draft agreement under the Railways Construction Act you will be communicated with in another letter as soon as it is reported on by the officers of the different Government departments to which it is referred.

I have, &c.,

J. Logan Campbell, Esq., Auckland.

W. ROLLESTON,

Minister of Lands.