

48. *Mr. Hone Heke.*] Will you give us the number of owners in each of those blocks of yours?—I could not give you that right out, but all the owners of the Waiteti Block have signed here. Those who have not have had their interests cut out by the Land Court; but we have the greater number of those interested in the area here.

49. Have you any idea of the number of owners who signed your agreement?—All the owners of the Waiteti land we are cutting from have signed these two documents. They are all in the agreements.

50. What number of owners in the Okoheriki Block have signed the agreement?—A hundred, or something like it.

51. What is the distance from these bushes to Auckland?—About 160 miles, roughly.

52. What is your nearest railway-station?—The station we get out at is Mamaku. The mill is about three miles in from Mamaku, to the northward of it. We have a tramway on the Auckland side of Rotorua.

53. Is there any clause in your agreement in regard to the quantity of timber to be cut during the year?—Yes; 10,000 ft. a day, more or less. The mill was to be kept going, and the amount mentioned is 10,000 ft. a day.

54. What are the terms in regard to payment—quarterly, or what?—When they like. There is no restriction as to when they shall get it.

55. Are there any restrictions in the agreement with regard to the laying-down of tram-lines—that the Natives should pay for the laying of them?—That condition is in this agreement, but in the modification agreement we pay for all. They have, as a matter of fact, been paid for. They are the contractor's.

56. You say this condition is in this agreement you have here?—Yes. In the modified agreement it is provided that we shall not charge anything for the tramways.

57. Is that the Waiteti agreement you are quoting from?—Yes. We have not commenced on the Okoheriki Block yet.

58. When was your modified agreement made?—At the same time as this. We signed and passed the modified agreement on to the Natives, and they signed this and passed it on to us.

59. What was the cause for this modification?—This original deed was drawn up, and when we came to meet the Maoris and talk the matter over we said to them—principally myself—“You can take the mill yourselves if you wish, and run it yourselves, according to the conditions of this agreement,” but the Maoris said, “We prefer to have nothing to do with it,” and we took the liability up for them, but we said we must have their permission to remove the mill when we have done and the bush is cut out.

60. And under the modification you took nothing from that shilling that you allowed them for cutting and felling?—Not a farthing.

61. Nothing from the royalty?—Nothing.

62. Are there any other mills working adjacent to the country you are working in?—Yes, there are three mills. The owners of one are perhaps half a mile from where we are working.

63. *Mr. Herries.*] Are they working on Native land?—No, I do not think so; I think they are working on land purchased on lease from the Government.

64. *Mr. Hone Heke.*] You say you have spent about £5,000?—Yes.

65. Would that be money spent on the construction of the tramways, the mill, and for other incidental expenses?—For everything.

66. Have you started to pay the royalties to the Natives?—We have just started going this month. The royalty was fixed for the first month—that will be in October. We opened the new mill on the 7th of last month; but we had alterations to make which closed it for some time, and we have been at work for about a fortnight.

67. You have only been at work cutting the bush at Waiteti for a fortnight?—Off and on. When you start a new mill you have to alter many little things.

68. Have you been cutting timber in this vicinity before?—No.

69. You have not had any experience as to the cost of railage to Auckland?—I have.

70. What is the cost of railage?—3s. per 100 ft. on from there to Auckland. On our estimated quantity the Railway Department will get about £10 an acre for the timber carried away from this bush. Every bit must go by rail.

71. Have you had considerable experience in milling?—I have.

72. How many grades do you get out of rimu?—Practically four, but two of them are very different. The two principal grades are first and second class. Rimu is very difficult to get more than two classes from—it is very shaky and resinous.

73. Can you give us your ruling prices?—First class 12s. 6d., second class 9s. 6d., freight paid to all stations.

74. In all classes?—In every case.

75. *Mr. Mander.*] Is there any discount off that?—17½ per cent. discount to the Auckland dealers.

76. *Mr. Hone Heke.*] Is the first-class ordinary building-timber?—Yes.

77. And the second grade is second class?—Yes.

78. *Hon. Mr. Carroll.*] Who classifies the timber?—We do.

79. *Mr. Mander.*] But the Natives get 6d. royalty all round?—Yes.

80. *Mr. Hone Heke.*] What is the other class?—Clean heart.

81. Would that be of superior quality to the other two classes?—Yes, a quality we do not care to supply. It is practically out of the market so far as we are concerned. The next class is rough heart, which is very resinous, and we cannot sell it at all.

82. The kind of timber you go in for is only rimu and a little matai?—Yes. There may be an odd matai-tree and an odd totara; practically there is none.