

1903.
NEW ZEALAND.

NATIVE AFFAIRS COMMITTEE:

REPORT ON THE MAORI LAND LAWS AMENDMENT BILL AND THE MAORI COUNCILS BILL,
TOGETHER WITH MINUTES OF EVIDENCE.
(MR. R. M. HOUSTON, CHAIRMAN.)

Report brought up on Tuesday, the 10th November, 1903, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

THURSDAY THE 2ND DAY OF JULY, 1903.

Ordered, "That Standing Order No. 211 be suspended, and that a Committee, consisting of nineteen members, be appointed to consider all petitions, reports, returns, and other documents relating to affairs specially affecting the Native race that may be brought before the House this session, and from time to time to report thereon to the House; with power to call for persons and papers, five to be a quorum: the Committee to consist of Mr. Field, Mr. A. L. D. Fraser, Mr. Harding, Mr. Heke, Mr. Herries, Mr. Houston, Mr. Jennings, Mr. Kaihau, Mr. Major, Mr. Mander, Mr. Moss, Mr. Parata, Mr. Pere, Mr. Remington, Sir W. R. Russell, Right Hon. R. J. Seddon, Mr. Vile, Mr. Willis, and the mover."—(Hon. Mr. CARROLL.)

WEDNESDAY, THE 30TH DAY OF SEPTEMBER, 1903.

Ordered, "That the Maori Land Laws Amendment Bill and the Maori Councils Bill be referred to the Native Affairs Committee."—(Hon. Mr. CARROLL.)

REPORT.

MAORI LAND LAWS AMENDMENT BILL.

I AM directed to report that the Native Affairs Committee, to whom was referred the above-mentioned Bill, have duly considered the same, and are of opinion that it should be allowed to proceed, subject to the amendments as shown on a copy of the Bill attached hereto, and that the evidence taken should be printed.

The Committee having taken evidence on the subject, recommend that no legislative action be taken by the Government this session with regard to agreements between Europeans and Maoris relating to timber.

10th November, 1903.

R. M. HOUSTON, Chairman.

MINUTES OF EVIDENCE.

TUESDAY, 27TH OCTOBER, 1903.

(No. 1.)

The Chairman: In regard to this Maori Land Laws Amendment Bill, I have to state that I sent notice to people interested in connection with it in my district, informing them that consideration of the Bill had been adjourned in order to permit the taking of evidence regarding clause 31A. I have, in reply, received a letter from them stating that they are unable to attend this Committee on account of the great distance they are away from Wellington, and they have forwarded affidavits here in connection with it, which I think should be read to the Committee. I will ask the Clerk to read the letter first of all.

[Letter read as follows.]

1—I. 3A.

SIR,—

Kawakawa, 23rd October, 1903.

Owing to the great distance between this district and Wellington, and the shortness of notice we received of your inquiry into and taking of evidence with regard to the Native Land Laws Amendment Bill, we are unable to be represented before your Committee.

We respectfully request that you will permit our evidence to be laid before your Committee in the form of a declaration which accompanies this.

In order to enable this communication to reach you in time for your sitting, we have had to despatch a messenger with it for a distance of twenty miles.

Yours, &c.,

VERNON H. REED.

WM. STEWART.

The Chairman, Native Affairs Committee, Wellington.

In the matter of the Maori Land Laws Amendment Bill and the inquiry of the Committee for Native Affairs.

WE, the undersigned, do solemnly and sincerely declare—

1. That on the 15th day of July, 1902, by agreement, we purchased from the Natives a kahikatea (white-pine) bush near Kawakawa, Bay of Islands, for the price of £2,000.

2. That about six months prior to the signing of the said agreement the Natives had held meetings and had decided upon the boundaries of and price for the said bush.

3. That the Natives are still satisfied with the terms of the said agreement.

4. That the bush is on *papatupu* land, but the ownership is now being ascertained by the Maori Land Council.

5. That we did not consider, in entering into the said agreement, that we were violating the spirit of any laws relating to Native lands, for the reasons following:—

(a.) We considered the laws relating to Native lands were directed against the sales of land in the ordinary meaning of the word "land," with the intention that the Natives should not become landless.

(b.) We considered the said laws were not made with the intention of preventing Natives dealing with growing crops—such as oats, wheat, maize, flax, timber, &c.

(c.) We were following the practice pursued by others for years past in purchasing timber upon *papatupu* land, which has never been interfered with and has worked satisfactorily to the Natives.

6. That our dealing has been *bond fide* and is satisfactory to the Natives, and is not such an agreement as ought to be declared void by statute as a fraud upon the Natives.

7. That the effect of declaring our agreement void by statute would be that we should have no redress against the Natives for the recovery of the purchase-money paid the Natives.

8. That the proviso in the Bill to the effect that the Council may ratify an agreement would be useless to us, as the Natives will not hand over the land upon which the said timber stands for administration by the Council, and thus our agreement would be rendered void.

9. That in this district in the past, growing oats, maize, flax, and timber upon *papatupu* lands have been freely sold by the Natives.

10. That we consider the said Bill should not be made retrospective.

And we make this solemn declaration conscientiously believing the same to be true, and by virtue of an Act of the General Assembly of New Zealand intituled "The Justices of the Peace Act, 1882."

VERNON H. REED.

WM. STEWART.

Declared at Kawakawa, in the Bay of Islands, this 23rd day of October, 1903, before me—
R. A. Hall, J.P., a Justice of the Peace in and for the Colony of New Zealand.

Hon. Mr. Carroll: That discloses a contract with Natives for timber on *papatupu* land.

Mr. Vile: £2,000 was paid for it.

Hon. Mr. Carroll: It does not matter if they paid a million; it does not alter the fact.

The Chairman: Of course, as these gentlemen are not present before the Committee, we have not the opportunity of cross-questioning them with regard to the affidavit.

Hon. Mr. Carroll: I do not think the facts are disputed. As far as I know they are correctly stated there, excepting that on behalf of the Maoris the Native Council up there have impounded the money paid.

Mr. Fraser: I do not think there should be any encouragement given to the Natives to sell *papatupu* land.

Mr. Field: The sole point is as to whether the document held by these gentlemen is a legal one or not. If it is a legal one we should not interfere with it; if it is illegal these gentlemen run their own risk.

Mr. Hone Heke: In dealing with timber on *papatupu* land there is no basis of law for it.

Mr. Fraser: There are several witnesses present waiting to be examined.

THOMAS SHAILER WESTON examined. (No. 2.)

1. *Mr. Fraser*.] What are you?—Solicitor, Wellington.

2. You have acted, I understand, for clients in regard to timber leases on Native land?—The firm of Skerrett and Wylie, of which I am now a partner, have so acted.

3. Have you the notes of any special agreements that were entered into?—There were four agreements drawn up by us for Gamman and Co., sawmillers, of Palmerston North, over four blocks, Nos. 2B, 3B, 4B, and 5B, Raetihi, containing a total area of 10,000 acres.

4. *Mr. Hone Heke*.] Give us the separate areas of these blocks?—2B, 3,561 acres; 3B, 1,943 acres; 4B, 3,237 acres; 5B, 1,174 acres.

5. *Mr. Fraser*.] Can you remember what the terms of those agreements were?—No; I did not go through them. I have checked them.

6. Have you advised Messrs. Gamman and Co. that their transactions are perfectly within the four corners of the law?—Yes; Mr. Skerrett advised them so last year, and that advice has been given to other sawmillers.

7. *Hon. Mr. Carroll.*] The four corners of the law? What Act?—The common law. There is nothing in the Native Land Acts prohibiting the sale of timber fit for sawmillers' purposes at the time the agreements are made.

8. *Mr. Fraser.*] Is there anything you would like to say further?—No; except that all these agreements have been duly executed in the presence of a Maori interpreter, and have a Maori translation and a plan of the land on each. All the forms of the law relating to alienation of land by Natives have been complied with, except obtaining the Trust Commissioner's certificate, which is not necessary.

9. *Hon. Mr. Carroll.*] They come under no Native Land Act?—No.

10. What forms of law have been complied with?—We have complied with all the formalities laid down in the Native Land Acts relating to land, with the exception of obtaining the Trust Commissioner's certificate.

11. In case of accident you made use of the form of the Act of 1894?—It is quite clear that the Natives understood what they were doing.

12. *Mr. Fraser.*] In the same way as if it were an agreement for a crop of potatoes?—Yes.

13. *Mr. Field.*] You took the provisions of the Land Act of 1894 as a fair guide as to the method of execution of these documents?—Yes.

14. *Mr. Vile.*] You took every precaution to see that the Natives understood the transactions?—Yes; I may say that the expense of obtaining these agreements was considerable, because at least from twenty to forty signatures had to be obtained, and an interpreter had to be present at the taking of each of these signatures.

15. *Mr. Fraser.*] I suppose you know that the land had passed through the Court?—Yes.

16. *Mr. Field.*] Can you give the Committee any information as to the consideration to be paid to the Natives?—No; I was not a member of the firm then, so I am not in a position to say.

17. *Mr. Wi Pere.*] In your opinion, Mr. Weston, are these agreements entirely valid: was any wrongful means resorted to in connection with them?—I think they are straight agreements.

18. Is there any reason why they should be submitted to any one to be passed and validated?—No; that was not the law when they were taken.

19. In regard to the timber?—Yes.

20. Is that because the timber is growing on the land that there is no reason to do this?—It is because under the English common law timber is a chattel simply.

21. Therefore timber does not come under the law?—It does not come under the Native Land Acts.

22. You say it is merely timber: can you explain why it is that house-blocks when planted in the ground and a house is built on them—they are timber undoubtedly—and yet according to law you are not allowed to remove them? Because you have described timber to be what it is I have asked you that question?—Timber is like a crop of wheat, it grows, and its end is to be taken from the land.

23. That, of course, was the provision that was made when the Council was constituted, that no matter what thing of a vegetable nature was growing on the land, only the Council should have the disposal of it: is not grass like timber?—Yes, certainly; it is cut, and when it is turned into hay you can sell it. You do not want to make a conveyance of it. This opinion was very carefully considered by Mr. Skerrett, and it has gone through the North Island and been considered by other solicitors and been acted upon by their clients.

24. *Mr. Hone Heke.*] Can you give us the law in regard to land and growing timber?—Yes.

25. What is timber considered when it is growing?—Any timber that is fit for sawmilling purposes at the time an agreement is taken can certainly be sold by the Natives without it being considered an interest in land, and therefore coming under the operation of the Native Land Acts.

26. I am asking a question: Is timber considered part of the land where it is growing?—I could not tell you whether it is part of the land or not, but it is not considered to be an interest in land. The reason for it is no doubt that in the nature of things timber, like a crop, leaves the land.

27. Can the Natives sell that growing timber straight out?—Yes; all timber fit for sawmilling purposes.

28. You do not know of any place where Natives, to enable them to get rid of their timber, really become the employers of a European?—No; I do not know of any case of that kind. I can only speak of the agreements drawn by our firm.

29. The feature of the Native land laws which has to be complied with is the translation?—The translation, the map, and the requisite witnesses—namely, a Justice of the Peace, and a Native interpreter—who have to be present at the signing of each Native's signature.

30. Do you know the features of the Native land laws regarding the leasing of Native land?—Yes.

31. You know there is a provision enabling the Court to consider whether the consideration for the land is sufficient?—Yes.

32. That is a provision in regard to this timber?—That is not necessary. The Court has no jurisdiction to do it. It would be asking them to do what they have no power to do.

33. *Mr. Herries.*] Your opinion is that there is nothing in the Native land laws that affects the timber?—No.

34. Does that apply both to growing and felled timber?—It applies to all timber fit for sawmilling purposes at the time the agreement is given. It would not apply to very young timber. It must be a matured crop.

35. These agreements are for growing timber?—They are for timber fit for sawmilling purposes, whether standing or lying on the ground.

36. *Mr. Vile.*] You consider that matured timber is in the same position as matured flax, or any other matured crop?—Yes; just the same.

37. You know that it is proposed to make all these transactions illegal and retrospective?—Yes.

38. Do you know whether there have been many transactions of this description—transactions besides the four you have acted professionally in?—I know of others. Mr. Skerrett's opinion has gone to other solicitors who have acted on it.

39. By general repute, and from your position to hear these things, you having been mixed up with sawmillers, have you heard of many other transactions such as the four you have acted professionally in?—I have heard of others. The proposed change would be a very drastic change. It would hit a large number of sawmillers, because, owing to the scarcity of timber land, rights like these have been taken up very much during the last few years. Of course, the danger is this: to ask them to go before the Maori Council now would be unfair in this way, that there has been such a rapid growth in the value of timber during the last few years that it would be difficult to say what would be a fair value at the time the agreements were taken when the country was not opened up.

40. Do you know anything about the big Taupo syndicate?—No.

41. *Mr. Field.*] You have seen the proposed clause 31A, have you not?—Yes. With regard to future contracts the clause is very strong. If you only allow the Native owner to cut and remove the timber the only chance of enforcing the agreement is by an action for damages, and an action for damages is sometimes abortive. It would give every chance for litigation to arise.

42. Assuming that a sawmiller has a contract with Natives for a block of timber, and the contract can be sustained in a Court of law, but which, nevertheless, in the point of view of a fair-minded man, would be shocking to his conscience, owing to the terms given to the Natives: what would you do in a case like that? Perhaps you would not like to express an opinion?—Well, the country is not very much opened up yet, and it is only during the last few years that a good deal of roading has been going on.

43. *Hon. Mr. Carroll.*] You consider, Mr. Weston, that, according to the law, standing timber on land would be a chattel?—Yes; that is the basis of the whole thing.

44. *Mr. Fraser.*] With your previous proviso, that it is matured timber?—Yes.

45. *Hon. Mr. Carroll.*] Timber, whether matured or not, would be timber?—I do not think young trees are contemplated. It must be timber fit for cutting.

46. You declare, of course, that your contracts are perfectly legal and will hold good in a Court of law?—Yes.

47. Do you register them?—No; we have not registered. I question whether we could register them under the Land Transfer Act.

48. You are secured by your contract in any Court of law on what is not a registrable document?—Yes. Under our Land Transfer Act I do not think you can register. It is not an interest in land within the meaning of the Land Transfer Act.

49. You have complied with all the forms required by the Act for the protection of the Natives, by having a Native interpreter, witnesses, and so forth?—Yes.

50. Except one of the requirements of the law, and that is by some official—the Trust Commissioner under the Native Land Act—to see whether the consideration is fair or otherwise: that is omitted?—Yes; there is no jurisdiction for the Court to interfere or to grant such a certificate.

51. And there is no remedy, I infer from your remarks, in the case of a transaction the terms of which would shock the conscience of members?—Yes, there is certainly a remedy. In equity, if there was a fraud, I think these agreements would be set aside.

52. How would they come before the Court?—The Native would be looked upon as a person under a disability, and if it could be shown that the case was so shocking as to satisfy the Court that the Native did not know what he was doing the contract would be set aside.

53. That would be the remedy?—Yes.

54. What would be the remedy of the sawmiller if the Native revoked his contract?—Now you open up a question which I cannot answer straight away. I think he could go on the land and take the timber, as the timber is sold to him.

55. *Mr. Fraser.*] He could go for damages?—Yes; but that is rather a *brutum fulmen* in certain cases. You find in practice, however, that the Natives in the interior of the North Island are straight dealers.

56. *Hon. Mr. Carroll.*] The question is, what they could do?—Yes; what their legal right is.

57. You wish to impress upon the minds of the Committee that the value of the consideration should not be gauged from what the value through the opening-up of the country is now, and that it should not be based on the present valuation?—No.

58. But when there was not that rise in timber and the country was not opened up?—Yes.

59. The Raetihi blocks forming the subject of the agreements are on the Pipiriki Road, are they not?—I could not say. It would be very awkward to get the timber into the market.

60. You have not been up through that country?—No; but I know the locality. I have been interested in sawmilling myself.

61. *Mr. Hone Heke.*] You know section 117 of "The Native Land Court Act, 1894"?—Yes.

62. The restriction there is not strong enough to prevent the sale of growing timber?—No.

63. *The Chairman.*] Would you consider maize, oats, flax, or potatoes as a matured crop, the same as timber?—Yes.

64. Then, if a Native were legally entitled to sell a crop of oats or maize, would you infer from that that he would be entitled to sell a crop of timber?—Yes; the English cases are clear on that.

65. With regard to the *papatupu* land, if a Native were entitled to sell a crop of oats or maize would you consider that illegal?—No.

66. Then, if you do not consider it illegal to sell a crop of potatoes, oats, or maize, the same would apply to timber?—Yes; that is so. It cannot prevent a Native using the land to the best advantage.

GEORGE ALBERT GAMMAN examined. (No. 3.)

67. *Mr. Fraser.*] You were one of the partners of Gamman and Co., timber-merchants, Palmerston North?—That is so.

68. Mr. Weston has just told the Committee of an agreement his firm has drawn up for your company in connection with land at Raetihi?—Yes, that is correct.

69. How many acres are there in that property?—Just about 10,000 acres.

70. How many acres of milling-timber are there in that property?—I should say there would be about 6,000 acres of milling-timber.

71. What are the timbers?—White-pine, rimu, matai, and some totara.

72. What do you mean by "some totara": do you mean isolated trees?—Yes; it is ordinary rimu and white-pine bush, with a little totara.

73. How long is your agreement for?—Twenty-one years.

74. *The Chairman.*] Have you a copy of the agreement with you?—No, I have not.

75. *Mr. Fraser.*] I suppose you can give us an idea of what the terms are?—Well, there are a good many clauses in it.

76. Did the Natives approach you with regard to leasing this land?—They approached my firm.

77. Can you tell the Committee the price you were paying for royalty for these timbers?—2d. on white-pine, 3d. on rimu, 6d. on matai, and 1s. 6d. on totara. That is per 100 ft. superficial, sawn measurement.

78. Can you tell the Committee—I do not want you to put an extravagant value on it—what rent or payment per acre the Natives should get on this basis?—I should say they would get about £3 10s. an acre.

79. So that for these 6,000 acres of milling-timber they would receive £21,000?—Yes.

80. How many miles is this land from the railway at the present time?—About forty or fifty—nearer fifty than forty.

81. Can you tell the Committee what you estimate your outlay to be on this land before you commence operations?—We have decided to put all our plant on this place, and that would mean the outlay of £15,000 before we commenced operating on it.

82. You pay the Natives the royalty you have already stated: now, what protection have the Natives from being defrauded in the amount of timber cut?—They have a right under the agreement to have any one they choose to inspect our books.

83. Any solicitor or representative could inspect your books at any time?—That is so.

84. With regard to the profit side of the timber, the Natives get on an average 7d. per 100 superficial feet for this timber?—Yes; between 6d. and 7d.

85. What is the nearest point to the main trunk line?—Ohakune.

86. Taking the nearest point on the railway now, what would be the freight from there to your market at the present time—I am not talking of fifty years hence?—About 4s. per 100 ft.

87. The Natives get 7d. and the Government get 4s.: now, what would be your profit per 100 ft. after paying all expenses?—We reckon that if we get 1s. per 100 ft. profit all through we do very well.

88. Have you other leases of timber from Europeans?—At Dannevirke we have.

89. Do you pay royalty there?—Yes.

90. What do you pay to Europeans?—We have a sliding-scale from 4d. to 6d. It would be an average of about 5d.

91. Who is the European?—Mr. Rathbone. I am referring to rimu.

92. And white-pine?—Not white-pine. I am referring to rimu, and that is about the average. It is only approximate, as far as I can say.

93. Is that property adjacent to the railway?—The railway runs through it.

94. In fact, there is a siding on the block, is there not?—Yes.

95. What is the freight from there on the train?—From there to Wellington—that is the market at the present time—it is 3s., the exact figure.

96. Turning to the land at Raetihi, are there any adjoining properties occupied by Europeans?—Yes; they are settled all round.

97. Is there similar timber on this land adjoining?—Yes, in many places. It was much better, but it has been destroyed.

98. You mean destroyed by being fallen and burned?—Yes.

99. They were Crown lands?—Yes.

100. And they are Crown tenants now?—Yes.

101. When land has been cleared and burned, does it not enhance the danger of fire destroying the remaining bush?—Yes, very much, because the fire of these settlers burns the edges of the block and increases the danger every year. One of our 5,000-acre blocks at Dannevirke was fired right through, and more timber was destroyed than we have cut there.

102. How many hands do you anticipate employing when you start work?—About as many as we employ now—from 120 to 130 men.

103. You would employ 120 to 130 men for how long?—About ten years.

104. Do you insure these men?—Yes.

105. What is the rate now?—£3 6s. per cent.

106. What is the insurance on your plant?—£7 per £100.

107. *Mr. Remington.*] Have you made any arrangements with the European settlers in the Raetihi district to take any of their timber?—No.

108. Have you heard of any sawmillers who have?—I cannot say I have.

109. Do you know whether there are any mills established there at the present time?—Yes.

110. How do they get their timber away?—I think they ship it from Pipiriki, and send it down by steamer. They are much nearer than we are. We are many miles further away.

111. Are you aware of any other agreements having been entered into for cutting Native timber in that district?—No, I do not know of any.

112. Did you base your estimates of the value of timber on the cost it would be to get it away to the market?—Yes, we always do that.

113. I mean, had there been a railway-station within three or five miles of where you propose to cut the timber, would you have given more to the Maoris for the timber?—No; we have calculated that there will be a railway there some time, and that that would be a means of getting the timber away. We considered that it would be a fair value, as we know there will be an increased freight.

114. You understand the nature of the proposed legislation regarding timber?—Yes.

115. And you consider that it would have a retrospective effect?—Yes.

116. So far as the agreements you have entered into are concerned, would you have any objection to them being submitted to any competent tribunal for the purpose of estimating whether fair consideration was given to the Natives under the circumstances?—I think it would be fair to have that referred to our solicitors; but I do not think we should make any objection, as far as I can tell.

117. Did you intend establishing a mill at an early date there?—Under the conditions of the agreement, we have to make a start in about two years. I am not quite sure, but I think there is some clause to that effect in the agreement. We are looking forward to putting the plants we have at Dannevirke up there.

118. *Hon. Mr. Carroll.*] You have practically five years before you can sell timber from there?—Yes.

119. *Mr. Remington.*] In the meantime are you paying the Natives anything for the use of this land?—On the completion of the deed we are paying them £800 on top of the royalty we agreed to pay.

120. *Mr. Wi Pere.*] Are you not willing to submit this agreement of yours to the Maori Council to be approved of by them? That is all this clause proposes to do?—I am not prepared to say that definitely just now. I would like some little time to consider that.

121. I understand you to say that your people are afraid of the effect of this proposed legislation?—That is so.

122. Have you read the clause that proposes to deal with these timber agreements?—I think I am acquainted with it.

123. And what part of it are you afraid of?—We understand our rights are to be cancelled, and we are to have no further dealings or rights of cutting timber.

124. Which part of the clause provides for that?—We understand that it is of a retrospective nature.

125. Can you quote any part of the section which says so?—I would like to look at the clause. [Clause referred to.] Our deed has not been done through the Council.

126. This clause 31A reads that "Every sale, contract, or agreement for the sale or disposal of timber growing or standing on any Maori land," and so on; "provided that in case of any such agreement entered into before the passing of this Act application may be made to the Council for ratification of the same"?—Yes.

127. And upon such application the "Council may, after inquiry and subject to the approval of the Governor in Council, ratify, or modify and ratify, any such agreement": perhaps it is that power to modify that distresses you?—It seems to me that it is a matter for our solicitors, and I would not like to say anything about that.

128. *Mr. Hone Heke.*] How far is this Raetihi bush over which you have acquired the right to cut timber from the route of the proposed railway-line?—The railway-line is surveyed through a corner of the block.

129. Which is the nearest railway-station at the present time to the block?—Mangaweka.

130. Is Ohakune a station?—Ohakune is the name of a small township there.

131. Does the railway route go near Ohakune?—I understand it does.

132. How far is that from Ohakune?—I think probably a mile and a half.

133. And how far is your block—that is, the near edge of your block—from Ohakune?—Within probably a quarter of a mile to some of it.

134. Then, how does the statement you have given in reply to Mr. Fraser come in, when you answered that this block is fifty miles from the railway?—He asked me this question, "What is the nearest station at the present time?" and I said, "Fifty miles."

135. So that when the railway-line is constructed it will actually run on the edge of the block that you have acquired the right to the timber over?—That is so.

136. In fact, the near part of the block is not more than a mile away?—Yes, I understand that is where the surveyed route is.

137. Have you had any lengthy experience in milling?—Since I was about twenty years old I have been at it.

138. *Mr. Herries.*] Do we understand that you have started at Raetihi?—We have not yet.

139. Is it your intention, when you start, to employ Maori or white labour?—There is a clause in the agreement providing for both.

140. When do you propose to start, if the legislation remains as it is now?—I think in about twelve months from now.

141. You will not wait until the Main Trunk Railway reaches there?—We expect to have the full plants in by that time. We would not expect to start with the full plant at first.

142. How would you expect to get your timber out then?—We would expect to get it down the river.

143. Have you heard any objection on the part of the Maoris to your cutting timber?—No; we got on pretty well, excepting that there is a split between the Raetihi Maoris and the Maunganui-o-te-ao.

144. Do you think these representations are due in any way to the Maoris?—I do not think so.

145. *Mr. Mander.*] How many others have purchased timber rights besides yourselves?—I do not know of anybody else.

146. You have no idea of the extent of the timber which has been purchased?—No. All round this block the Government holds the land. This particular part of the Waimarino was the only part we could get, except in the north.

147. Is there any risk of the railway being deviated at all from the point where it touches you?—There is a fair risk.

148. There is no positive certainty that the railway will go where the line has been surveyed?—No.

149. Therefore you run a considerable risk?—Yes.

150. You say this land is surrounded by Government land?—Settlers are all round it, and I presume it is Crown land.

151. I understand you to say that the Crown settlers had felled and burned a quantity of valuable timber?—Yes.

152. Do you think the Crown land, in its original state, was as valuable for timber purposes as that which you have got?—Yes; I think part of it was more valuable.

153. Have you any idea what the Government paid for that land?—No.

154. They bought that land right out, and not only for the timber rights?—I understand so.

155. *Mr. Jennings.*] Is the block of 10,000 acres you have purchased in the southern part of the Waimarino?—I am not quite clear whether it is part of the Waimarino or not, but it borders on the Waimarino. It might be included in the South Waimarino. There is no doubt that it is part of the same forest that runs through the Waimarino.

156. Do you think the railway will be constructed in about two years' time, and will pass through this particular block?—As a matter of fact, we thought it would be there now.

157. *Hon. Mr. Carroll.*] You have stated that Ohakune, which is marked on the main trunk line as a station, is only a quarter of a mile away from the nearest part of your block?—Yes.

158. And I think you led the Committee to infer from your remarks that you did not intend to start thoroughly, beyond putting up your plant, to get your milling operations into full swing until the railway reaches that point?—Yes; or somewhere near about it.

159. In answer to a question Mr. Fraser put to you, you replied that it would cost 4s. per 100 ft. to cart the timber to the nearest railway-station at the present time?—I said the present freight would be about 4s. by rail.

160. Then, it is not the intention of your firm to cart any timber to the nearest railway-station now?—No; that would be absolutely impossible.

161. If you did start operations at all previous to the railway reaching an adjacent point to your block, what would you do: would you carry it by means of the Wanganui River?—We should probably endeavour to get orders while the railway-construction was going on.

162. Then, practically, you would hold all the rights you possess for a fitting opportunity—it may be for three or five years?—No; we would do what is fair.

163. You would not cart your timber at a loss?—No; but we are prepared to stand a little loss.

164. Have you paid any money to the Natives?—I could not say definitely what was paid.

165. Was it a large amount?—I do not know what it was.

166. Did your firm anticipate any risks in regard to the venture?—Yes, we do.

167. From the very start you did?—Yes. We have two risks: one is that of the line deviating, and the other is the risk of fire.

168. What reasons have you to apprehend any deviation?—No more than what has been done in the past.

169. Just the bare possibility that it might be so?—Yes.

170. *The Chairman.*] You said that some of this bush was surrounded by Government land that had been taken up by settlers?—Yes.

171. Was there any large amount of timber on that Government land?—Yes.

172. Were the settlers aware that they would be allowed to sell it?—I think the mills have been working on part of it.

173. But most of it was felled and burnt?—Yes.

174. And you are not aware whether they were allowed to sell the timber or not?—I could not say.

THURSDAY, 29TH OCTOBER, 1903.

C. P. SKERRETT, Solicitor, examined. (No. 4.)

1. *The Chairman.*] You are asked by the Committee to produce an agreement which the Committee understand was prepared by you for Messrs. Gamman and Co., mill-owners. The Committee wish to get some evidence from you with regard to the agreement. Have you the agreement with you?—Yes, and I am quite willing to produce it for inspection by members of the

Committee, but think I should be permitted to ask for two stipulations—first, that this agreement should be treated as confidential, except for such purposes as the Committee may think proper for the purpose of making up their minds on the particular matter under consideration; and, secondly, that the agreement should not be printed as part of the evidence.

2. The Committee agreed to that course before you were called in?—I am glad to hear that. I now hand in the agreement; but, perhaps, it would be better if I explained the meaning of the different clauses.

3. Perhaps it would?—The agreement is made between the Natives mentioned in the schedule and Messrs. Gamman and Co. [Clauses referred to at length.] I may say that the agreement is based on a rule that undoubtedly prevails in England—namely, that a person owning a piece of land can sell the standing timber on the land as a chattel, and the purchaser acquires what is known in law as a license, which is distinct from an estate, to cut such timber. I understand that if a gentleman in England becomes what is called “hard up,” and desires to sell part of the timber on his estate, he calls in a timber-merchant, who goes round and marks the trees he intends to purchase. A contract is made, and that timber is then the property of the timber-merchant, who cuts it when convenient. But that right gives him no interest in the land on which the timber stands. Parliament, of course, is the highest Court in the land, but all Courts have adopted the principle that legislation should not be retrospective so as to affect right acquired before the passing of such legislation. I quite admit that there are cases where the Legislature would act quite rightly in making legislation retrospective. Where it is thought there has been fraud or overreaching, or anything of that kind, then there is a justification for retrospective legislation. But I venture to suggest to the Committee that where there is no such thing, it is inconsistent with the principle guiding this and all other Courts to made legislation retrospective. The agreement has not been prepared without the very gravest consideration as to its validity, and we are quite prepared to take the risk as to whether it is valid or not.

4. *Mr. Remington.*] The agreement has not been prepared with the distinct idea that it was evading the Maori Land Act?—No. It is in consonance with the English law.

5. The Natives sell the chattel interest in the timber when felled?—Yes.

6. *Mr. Hone Heke.*] The basis of this agreement is not made, at least, from the Native land leases of this country?—No.

7. What is your opinion with regard to the provision in “The Native Land Act, 1894,” section 117, which restricts any dealings in regard to Native land?—My opinion is that it would apply only to a contract or instrument creating an estate or interest in land, and does not apply to any chattel interest.

8. What is the law now in regard to standing timber on the land: is not standing timber regarded as part of the land?—For some purposes; but the timber may be sold as a chattel interest apart from the land itself.

9. And in instances where the timber is considered to be part of the land the timber cannot be removed?—Yes. Take an illustration: I sell a building containing a number of fixtures that are attached more or less to the land; the sale would *prima facie* include the fixtures, but I may sell those fixtures without selling the land. I sell the fixtures only, and if I do the purchaser acquires a chattel interest, and what is known in law as a grant to go in and take and remove the fixtures. The timber is part of the land in this respect—that if you sell the land you sell the timber; but if you sell the timber apart from the land the timber passes like the fixtures.

10. *Mr. Vile.*] You sell the timber standing just as you would sell a house?—Yes.

11. *Mr. Hone Heke.*] Has it not been laid down that timber is part of the land, and therefore in the assessment of value that timber is included in the valuation?—Undoubtedly.

12. And that would not prevent any person owning the land with timber upon it from selling the timber as a chattel, as you say?—No.

13. In the case of land leased to any person for the purpose of grazing, and no provision being made in the lease authorising the lessee to cut and sell the timber, has he any power to do so?—You have raised an extremely difficult question. I have had to consider it. My view is that if a piece of forest land is leased to a person that person can fell and remove the timber, providing he does it for the purpose of converting the land into cultivation or pasture. I do not think a saw-miller would be allowed to go on the land to remove the timber only for the purpose of selling it. I think the lessee would be restrained from doing that. If a timber-merchant acquires a piece of land and makes up his mind to cut out portion of it, he may do so, providing he afterwards cuts out the remaining timber. He must not riddle out the trees on the land, and leave the remainder of the bush standing. If I had not had to consider the question I should have felt very much at a loss to answer it.

14. *Mr. Herries.*] You are speaking of leases?—Yes.

15. That has nothing to do with this question?—Nothing whatever to do with it.

16. One of your remarks expressed a doubt—or Mr. Weston, one of your partners, expressed a doubt—as to whether you could cut the timber when growing?—Yes. The agreement provides, *ex abundanti cautela*, for the case of it being doubtful whether property can pass in growing timber.

17. There could be no possible doubt, even if there was a doubt about the other thing, if the timber was felled, that it could be sold?—No doubt whatever.

18. And, so far as the Native land laws are concerned, is there anything to prevent the Maori owners selling the timber after it is felled?—None whatever.

19. There can be no doubt?—None. I prepared the agreement in this particular matter, but I gave an opinion long before this agreement was contemplated, and this agreement is based on the opinion of Mr. Bell as well as my own.

20. Your opinion is that the timber is a growing crop?—Yes.

21. And therefore is a chattel?—Yes.

22. Does it make any difference whether the crop is matured or not?—I do not think so.

23. They could cut a tree whether it was matured or not?—Yes.

24. And would not be liable for impeachment for waste?—That involves the existence of some other person who is not the vendor. Here we are dealing with the freeholders. They have not got a freehold interest, but they have an estate as nearly as possible analogous. They have a statutory right of disposal by sale, subject to statutory restriction; a right of devise by will; and in the event of intestacy, then the Court appoints successors; so that there is no one who can object to the waste.

25. It is open under the agreement for the Maoris, if they repented of their bargain, to test the matter in Court?—Undoubtedly, if, under the agreement, a Native thinks he has been deceived or that the agreement is invalid. All that is open to him.

26. Supposing a Native does not carry out his bargain, what is the security?—I should prefer not to discuss that. I agree that the position of the sawmiller is a very precarious one in law, but it is not desirable that I should discuss it further. I should hope the agreement would be carried out loyally.

27. But the sawmiller risks a good deal?—He risks all his plant. He may erect expensive works and the Natives may say, "I am not going to deliver this timber to you." The sawmiller has no interest in the land, and there might be a difficulty in enforcing his rights.

28. It is said that some of these contractors are spoiling the Natives; but, on the other hand, the purchaser is in a very precarious condition?—Yes.

29. And he has very little chance of enforcing his agreement?—Very slight.

30. Has there been, to your knowledge, any dissatisfaction on the part of the Maori owners?—I cannot answer that question, because I have not been in communication with the Maori owners.

31. But so far as your knowledge goes?—As far as my knowledge goes, absolutely none.

32. *Mr. Moss.*] Was every precaution taken to let the Natives understand that agreement when executing it?—I cannot say personally, except that it was placed in the hands of a respectable and able interpreter for the purpose of its execution, and there is a very complete typewritten statement in Maori of the contents.

33. Did they sign the Maori copy?—No; it is attached to the agreement in the usual way.

34. *Hon. Mr. Carroll.*] Who is the interpreter you refer to?—Mr. George Cook, of Foxton. That was before it was submitted to the Maoris. It is taken before Mr. Hawkins, of Wanganui, and George Cook, licensed interpreter of the first grade.

35. There is no chance of the Natives being misled or not understanding what they were signing?—No.

36. *Mr. Field.*] Was any solicitor acting for the Natives?—I cannot say.

37. You suggested that it would be improper for the Legislature, and contrary to the practice in the British Constitution, to legislate retrospectively. The difficulty of the Committee, or of some of the members of it, is this: that it was thought that in some cases perhaps the Natives had been got the better of by the sawmillers. Do you suggest that it would be improper for the Legislature to step in and invalidate or review every contract with the Natives? or, if that is not your opinion, how would you suggest to weed out the fair contracts from the unfair ones?—I think this: that the Committee is wholly incompetent, owing to their engagements and to the circumstances under which they sit, to consider whether an agreement is a fair, reasonable, or honest one. That must necessarily, I submit, be left to the ordinary law of the land. If the Natives have been dishonestly treated they have their remedy, and there is no lack of lawyers waiting to espouse their cause; and I can assure you that litigation with the Natives, even if successful, does not always mean that the successful litigant gets his costs. My opinion is that, whatever the Committee does with contracts executed subsequently to the Bill, they ought not to do anything that will affect agreements under the existing law.

38. *Hon. Mr. Carroll.*] When you say that things should be allowed to remain under the existing law, you do not refer to those laws that govern and affect dealings in Native land?—No; I mean laws apart.

39. And I think it is your opinion that the agreements and contracts for the timber standing on these blocks which are mentioned in the deed are not dealings in land?—That is my opinion.

40. Were they dealings with land, of course?—They would be void.

41. Did you have to refer to the English law in drawing up this agreement?—Yes, very carefully.

42. Because there was no provision in our Native Land Acts to enable any such contracts to be entered into?—That is quite true.

43. You said that the sawmillers were undertaking very great risk?—Yes.

44. That there was a possibility of a Native failing to carry out his bargain, and that there was no remedy for the sawmiller?—I said there was no very satisfactory remedy.

45. It was just possible he might come out second best?—Just so.

46. In fact, it is a speculation on the part of the sawmiller?—Yes.

47. Essentially so?—Yes.

48. There are good timber prospects there, and he is anxious to be first in the field to secure preferential rights?—Yes; but under this contract they have to start at once. I believe these lands are in the vicinity of the main trunk line, and directly railway facilities are given they are bound to start to cut and continue cutting. That is an expressed clause of the agreement.

49. Mr. Gamman said it would be impossible to send sawn timber away before four or five years, but that they would start operations and set up the plant. They would have a monopoly of 10,000 acres, 6,000 of which is timber land, for that time?—That is so.

50. On the matter of what is a chattel, in answer to a question put by Mr. Heke, you said you considered growing timber is not part of the land?—I say that for some purposes it is part of the land, but that it can be sold as a chattel.

51. I think you illustrated that by referring to other fixtures put on land which could be sold without in any way affecting the right of the land?—Yes.

52. This growing timber would be something of natural growth, and not planted by human hands?—Yes; but that does not make any difference.

53. You said that any Native owner who was joined in that contract can revoke his contract or refuse to sell his timber after having contracted that he should, and you were not certain as to the remedy of the sawmiller?—Yes.

54. Would you be satisfied if any of the Native owners—so as to have this question settled—took the first step and refused to carry out the bargain, or took steps in the Supreme Court to obtain an injunction to restrain the sawmiller from using the timber?—I have no objection to that; but I think the Crown should fight on fair terms and give the ordinary security for cost. I have no objection to this matter being tested, and the sooner it is tested—if the Natives desire it—the better.

55. Would you prefer that course to any attempt being made by the Legislature to provide for an examination of or inquiry into these transactions with a view to modifying or ratifying the present contracts?—Yes, I should prefer it to go to the Supreme Court.

56. Supposing a Native does not go to the Supreme Court, and simply refuses to carry out his part of the bargain?—We should have to go there then.

57. *The Chairman.*] What is the term of the lease?—There is no specific term. All the timber on the land is sold under this clause and it has to be cut within a reasonable time.

58. *Mr. Field.*] Mr. Gamman told us it was for twenty-one years?—I do not think there is any specified time mentioned. [Agreement referred to.] Directly the railway is completed they will have to go on cutting timber according to the regular and ordinary course of a timber-merchant's business.

59. *The Chairman.*] Then, if the railway does not go there for forty or fifty years they need not go on with the work?—That is quite true; but, if that is so, the contract is quite useless to them, because their profit is to be made by the cutting-down of the timber and its sale.

60. What is the area of this block over which they will have timber rights?—What the total area is I do not know. I must ask you to get that from Mr. Gamman.

61. There is nothing specified as to the amount of timber likely to be cut?—No.

62. If the Natives had the power to lease the land, and there was nothing specified with regard to timber, would the lessee have the right to cut that timber?—Yes, provided he does it for the purpose of clearing the land and laying it down in grass.

63. He can sell it and dispose of it as he likes?—Yes. It would be unreasonable if he could fell the timber and burn it and yet not sell it.

64. Then, you would consider the Government would be acting absurdly if they enforced such a provision?—It is not law. This matter has been very much considered in America, but we have not had many cases in New Zealand. The law I have placed before the Committee has been deduced from the American authorities.

65. It is common-sense anyhow?—Yes, it is common-sense.

66. *Mr. Parata.*] Does that agreement bind all the timber for sawmilling purposes?—It is timber fit for sawmilling purposes only.

67. *Mr. Hone Heke.*] In regard to the provisions of the agreement treating of totara, the royalty for first-class heart of totara is 1s. 6d. Can you give us any idea of what would be the position of second-class and third-class timber: would the Natives receive payment for that?—I have not the least idea. I should think it would be included in the term "other timber."

68. Then, the second-grade and third-grade timber would come within the royalty of 2d.?—Yes, I think so.

69. *Mr. Fraser.*] Is there any provision in that lease to the effect that while the timber is being felled the Natives may run stock?—They may do what they like with it.

70. The Natives can occupy and use the land as they like?—Yes.

71. *Hon. Mr. Carroll.*] Can they burn?—They cannot burn, because there is a provision made against it in this agreement. It would be absurd to enter into this agreement and let them put a match to the timber.

72. But they might discard this agreement?—They would have to fight for it. I have a very strong opinion as to its validity.

GEORGE ALFRED GAMMAN further examined. (No. 5.)

73. *Mr. Herries.*] There was a question asked by Mr. Heke of Mr. Skerrett with regard to the royalty for totara: it is 1s. 6d. for first-class totara, is it not?—That is so.

74. What do you pay for second-class totara?—It is worth very little. For some timber we pay half-price, but if the totara is very bad it has not a saleable value.

75. That would be half-price?—Yes.

76. When did you propose to start cutting timber?—We thought in about twelve months' time.

77. Do you expect not to start until the railway goes to Ohakune?—No; we propose to start when it is practicable to cart timber—when the railway gets within reasonable distance of the block.

78. And what do you call a reasonable distance?—About ten or twelve miles.

79. You are prepared to *bona fide* cut timber as soon as you can—you do not intend to hold it for speculative purposes?—No. We have four plants, and one will be ready to be

shifted in about twelve months—when we have finished the timber on which it is at present engaged. The whole lot of our timber will be cut out in four or five years from now, and we propose to put all our plants in this new place. We do not intend to hold the property any time longer than it is practicable to work it.

80. You are going to use the plants you have at present to cut out this timber?—Yes, that is our intention.

81. *Hon. Mr. Carroll.*] You would not start cutting this timber through this block until the railway gets within ten or twelve miles?—That is so.

82. It would not pay you to do so before that?—No.

83. You will be compelled to wait until the railway gets there?—Yes. There is only one other outlet, by way of the Wanganui River.

84. And you do not propose to use that?—No.

85. Although you might get your plant in now and start your general milling business, you cannot say when you intend to start?—No. We might get it out by way of Wanganui.

86. But the prospects of getting timber down the Wanganui are not at all encouraging?—No.

87. Have you been on the block?—Yes.

88. You have inspected the timber?—Yes.

89. What proportion is there, roughly speaking, of totara, rimu, kahikatea, and matai?—I should think fully one-third of the bush is white-pine; the other third is rimu and matai, but here and there totara. The proportion of totara is very small.

90. You put a third down for rimu, a third down for white-pine, and the rest would be matai?—Matai, miro, and totara.

91. What estimate have you made of the quantity of timber per acre on the 6,000 acres? What would it cut per acre?—Roughly, I should estimate there would be from 15,000 ft. to 18,000 ft. per acre.

92. *Mr. Hone Heke.*] Mixed bush?—Yes; that is on the milling-timber.

93. *Mr. Mander.*] About 10,000,000 ft. in the lot?—Yes.

94. *Hon. Mr. Carroll.*] You said yesterday that your plant at the present time was in use at Dannevirke, where you are carrying on a milling business?—That is so.

95. In the bush you contracted for with Mr. Rathbone?—Yes. As a matter of fact, we have four plants there. One is on Mr. Rathbone's block.

96. How long ago is it since you got the lease from Mr. Rathbone?—I could not say to a year or so. I should think probably about five years ago.

97. Do you think the price of timber five years ago was anything near what it is now?—No, it was much lower.

98. Considerably lower?—Yes. We have everything to contend with now. Insurance rates are higher, and wages are higher; and the expense of producing timber was much lower five years ago.

99. For the purpose of comparison, the royalty you paid five years ago would not be of any value in connection with the rate you pay now, circumstances being so different?—That is so.

100. Did you say your intention was to cut out the bush at Dannevirke and then transplant your plants to these blocks?—Yes.

101. How long do you think it will take you to finish at Dannevirke?—I said that one mill would probably fall out in about twelve months, two plants in about two years, and the last one in about five years.

102. *The Chairman.*] In cutting your timber do you classify it as first, second, and third class?—We never have third-class timber. We have first and second class.

103. You only make two classes of timber?—Yes.

104. These prices you have quoted—2d., 3d., 6d., and 1s. 6d.—are all first class?—Yes.

105. How do you pay the Natives for second-class timber?—In the case of rimu and white-pine it is not like kauri—it is almost valueless. In the case of totara it would probably be sold at matai and rimu rates. The royalty would be paid as on matai or rimu.

106. *Mr. Fraser.*] You said your mill would be free to go there in twelve months?—Yes.

107. What would you do then?—We should have to select the site for the mill, put in a railway-siding and tramway, and we have to build a house for the men, put up the stables and the blacksmith's shop, and do a lot of work.

108. As a matter of fact, you have practically a year's work before you could set your mill going?—Yes.

109. *Mr. Hone Heke.*] In reply to an interjection by Mr. Mander, I think I heard you say that miro timber is used as rimu?—Yes, usually.

110. So by your agreement, although you sell miro as rimu for 3d., you will sell this as other timber, according to your agreement, at 2d.?—In all our deeds we have not one clause bearing on miro, because it is always agreed that miro and rimu are classed as the same thing.

111. You say that you give 3d. for rimu and you sell miro timber as rimu, but according to your agreement you sell it for 2d.?—Yes; that was meant to cover tawa and other trees not mentioned. We are quite prepared to take miro as rimu. We have never mentioned anything about miro, but a man expects to get rimu rates for miro. It is a thing that has been omitted, being a timber that is only scattered through the bush and never taken into consideration.

112. Are there any other trees that you treat as rimu or matai?—I do not think so.

113. In reply to Mr. Carroll, you made an estimate of the quantity of timber growing on the country before you entered into a contract with the Natives?—He asked me if I had any estimate of the value of the timber, and I said the estimate I made was 15,000 ft. to 18,000 ft. per acre—that is, on the milling acreage.

114. This 15,000 ft. to 18,000 ft. is a very low estimate, is it not?—I do not think so.

115. Is not a kahikatea bush considered to contain more superficial feet than totara or any other timber?—It depends greatly upon the bush. If you take the North Waimarino totara and compare that bush you would find it would contain three times the amount that the South Waimarino contains.

116. You are picking out one particular case?—I would have to see the bush before I could give an answer. There are many things to consider.

117. In your experience have you not found that kahikatea trees run from 3,000 ft. to 10,000 ft. per tree?—No, I have never seen that.

118. Is not 3,000 ft. a low estimate for totara and kahikatea?—Any amount of them only turn out 300 ft.

119. I suppose you have not heard of the operations of the Taupo Timber Company in dealing with the timber-cutting?—I have heard a little.

120. There a survey of 3 acres was taken, and the quantity of timber was found to be 90,000 ft.?—I presume that is on paper. I do not think they would cut it. There is no bush in the Raetihi that would cut that.

121. Is not 50,000 ft. a low estimate for mixed bush?—On an average bush it is a big estimate.

122. It is an estimate that can be realised?—It might be down in the Taupo district, but you are taking the biggest-diameter trees in New Zealand.

123. What do you consider a price of this kind—kahikatea delivered to the mill-owner is paid for at 1s. 10d. per 100 ft.: is that a small price or a big price?—I understand that would be for labour included. That would not be paid as a royalty.

124. Royalty on timber delivered including all labour?—It would be very difficult to say unless I saw the place and considered the cost of getting it to the mill.

125. I include all that?—The usual cost would be about 1s. 6d., but I have not seen the place.

126. What would you consider 6d. to 9d. per 100 ft. paid for kahikatea as royalty without any labour?—That is the highest royalty I have heard paid for white-pine.

127. The labour in this case is hauling to the water-line—I speak of timber up at Kawhia?—Yes.

128. Would 6d. and 9d. be capable of being paid to these Natives with whom you have a contract at Raetihi. Would it be a proper price for kahikatea?—No; most of the white-pine is sent to Australia, and there would be quite 2s. 6d. freight paid to send it free to a seaport town.

129. What is your opinion with regard to the price of matai per 100 ft., ruling at 2s. 6d. to 3s. from Levin way?—The royalty is higher than we have ever heard about. We have never paid any royalty like that, and we are on the main line at Dannevirke.

130. Can you tell me the ruling price for first-class rimu?—Whereabouts—at what place?

131. What is the market price now?—It depends upon whether it is at Wellington, Dannevirke, or elsewhere.

132. Can you tell us what the ruling price for rimu is?—It depends upon where it is.

133. The ruling price for kauri at Auckland is 17s. per 100 ft. first class, rimu is 14s. first class, and totara is £1 to £1 5s. first class?—I might say that the price at Dannevirke at the present time for white-pine on the railway-trucks is 5s. 6d., rimu 7s. 1d., rimu at Wanganui 7s. 6d., and at Palmerston North 7s.—that is, to merchants.

134. What is the price of first-class rimu in Wellington?—Add 3s. to the price I have already given, and that will give the merchants' price in Wellington.

135. *Mr. Fraser.*] Those prices are *plus* the railage?—Yes.

136. *Mr. Hone Heke.*] What would you be prepared to deliver first-class rimu in Wellington at from Dannevirke?—10s. 1d. would be the price.

137. *The Chairman.*] That, of course, means in quantity?—That is the price we are getting. That is the wholesale price by the truck.

138. *Mr. Hone Heke.*] What is the general price for felling and cutting of timber per 100 ft.?—We pay 5d. per 100 ft.

139. Is not 4d. the general rule?—No, it is all 5d. up our way.

140. What do you pay for hauling from the stump to the mill?—We do not do anything by contract. We do it ourselves. Sometimes it costs half-a-crown. It costs us all manner of prices.

141. Have you any knowledge of people being employed for hauling?—Yes.

142. What price have you paid?—The contracts usually run up our way for felling and cutting, and delivery to the mill, 2s. a hundred.

143. Is not 1s. 6d. the general rule?—It is absolutely impossible at the present time to do it.

144. Is not the price of milling 1s. 6d. to 2s.—that is, the actual cutting?—That would be without including anything for wear-and-tear in the mill.

145. What did you say your railage was from Dannevirke to Wellington?—3s.

146. Have you been through the King-country?—Yes, a good bit of it.

147. Have you been to Taumarunui?—Yes.

148. What would you pay for railage of timber from Taumarunui to Auckland?—I have no idea.

149. *Mr. Jennings.*] In regard to correct measurement of timber, how are the rights of the Natives safeguarded?—I mentioned yesterday that there was a clause in the agreement to that effect, but after seeing Mr. Skerrett I find that there is no such clause. It is a recognised law, and so it was quite unnecessary.

150. *Mr. Vile.*] Have you any idea what the cost of the railway freight on timber would be from your place?—I can only give an approximate answer to that. Based on the freight from Dannevirke to Wellington, I think it would be about 4s. 6d.

JOHN WILLIAM ELLIS, of Otorohanga, examined. (No. 6.)

151. *The Chairman.*] Have you any connection with the previous witness, Mr. Gamman?—None whatever.

152. *Mr. Fraser.*] You have certain properties leased from the Natives for sawmilling purposes?—Hardly that; we buy logs from the Natives.

153. *The Chairman.*] Have you any agreement?—Yes. I suppose it will not be necessary to publish it?

154. No, the same rule will be made with regard to your agreement as with others. It will not be published, but the Committee will have an opportunity of asking you questions upon it?—This is only a copy of the agreement [agreement produced], but it is an exact copy. [Provisions of agreement read.] The price paid for totara—felling, cross-cutting, and delivery on the wagon or truck—is 2s. 6d. per 100 ft.; matai and rimu, 1s. 6d.; kahikatea (white-pine), 1s. 4d.—all log-measurement.

155. *Mr. Moss.*] Would that include sap?—That includes everything—log-measurement.

156. *The Chairman.*] That is, girth-measurement?—Yes. We give them an extra 6d. on first-class heart of matai.

157. *Mr. Jennings.*] Who decides as to whether it is first class?—We have to decide. After it leaves the yard it so appears on the tickets.

158. *Mr. Remington.*] When is it delivered?—When it passes the boundary-line. Square totara piles are 5s. per 100 superficial feet in length; totara fencing-posts, £1 8s. per 100 posts; split strainers or sleepers, £2 5s. per 100; and fencing-battens, £1 2s. per 100.

159. *Mr. Vile.*] Is that for totara?—Yes. The waste is all put into the split stuff. House-blocks are £1 1s. 6d. per 100.

160. *The Chairman.*] What are the dimensions of those blocks?—There is no dimension given.

161. No specified lengths or sizes?—No.

162. *Mr. Hone Heke.*] What is the name of the block over which you have this concession?—Hohotaka.

163. Can you give us the area?—No; it has not been surveyed yet.

164. Can you give us any idea of the timber-area?—It is about 2,000 acres.

165. Is this the only Native block you have timber rights over?—No, we have blocks at Otorohanga and at Mangapeehi—Tiroa is the Native name.

166. What is the timber-area at Mangapeehi?—3,000 or 4,000 acres is the milling-area, but the bulk of the block is open pumice.

167. What is the block at Otorohanga?—There are several blocks there.

168. What would be the timber-area there?—We have been working there twelve years. There are about 200 acres left, I should say.

169. Whereabouts is this Hohotaka Block?—The nearest railway-station would be Matapuna, just on the banks of the Wanganui River. It is where the railway-bridge is being put over the Wanganui River, beyond Taumarunui.

170. What is the mileage from there to Auckland?—178 miles. The railage is 3s. 11d. from there to Auckland.

171. Have you any price with the Natives for other timber that you may cut—other than white-pine or rimu and matai?—It is all included in the one price of 1s. 6d. I think it is specified "any other timber."

172. There is none of this timber that you intend paying for on the saw?—It is all on the log-measurement.

173. The bonus is on matai only?—Yes.

174. In the event of the owners not felling and cutting, you would employ people to do that part of the work?—They have already let a contract to do that work for them.

175. They have already let a contract for the cutting?—Yes; to ourselves, on a separate deed.

176. Can you give us the contract price?—The price is 1s. per 100 ft. log-measurement.

177. That leaves how much?—1s. 6d. for totara, 4d. for white-pine, and 6d. for rimu.

178. *Mr. Jennings.*] How long have you been conducting milling operations in the King-country?—Between twelve and thirteen years.

179. Have you had any complaints from or disputes with the Natives during the whole of that time?—No; our tenants are the most envied people in the King-country.

180. *Mr. Herries.*] Has this land gone through the Court?—Yes.

181. You know who the owners are?—Yes.

182. Have you seen the proposed new clause in the Bill?—I do not know that I have seen the new one. I have seen the first one in the proposed Bill.

183. What is your objection to having your leases modified or ratified by the Maori Land Council?—They are given no power to do it; there is the trouble.

184. But if they were given power would you object to having your leases modified or ratified by them?—I would sooner have them submitted to an independent tribunal—say, the Supreme Court. I understand an Order in Council has to be issued, so that the Maori Council is simply a buffer.

185. Who drew up your leases?—A firm of solicitors—Messrs. Earl and Campbell, of Auckland.

186. And they assure you that they are perfectly legal?—Yes.

187. If any Native thought that a lease was not legal it is perfectly competent for him to sue in the Supreme Court, I presume?—Yes.

188. You are quite prepared to defend an action on the deeds you have got?—Yes.

189. And you are satisfied that they are legal, and you would defend an action?—The lawyers tell us so.

190. Would you rather adopt that course, and defend an action in the Supreme Court, than submit to the course proposed in the Bill that you have seen?—I should prefer to have it tested in the Court. It seems to me that the Council have no real power in the matter.

191. What amount of capital have you invested in the Native blocks?—One of our mills is on Native land, one on the Mangapehi Station, and the other is a sawmill on a site leased from the Wellington Land Board. I may state that we were forced into the Native bush. We had a block from the Wellington Board, and when we had cut the first 100 acres we were told that we could not cut any more, and we were forced to look round for more to keep the plant going.

192. Supposing this legislation was passed, and your lease was declared invalid, and you could not get that decision reviewed, what would be your loss of capital?—£30,000.

193. You have already got that invested?—Yes.

194. You would actually lose that in hard cash?—Yes; it would simply mean ruin to us.

195. Are there any other people up your way who would be in the same position if this legislation were carried?—The Maoris have a mill of their own, but we are the only European sawmillers who have started.

196. Do you know of any other people who have milling-rights as well as you?—I know of other people negotiating.

197. Do you know of any actually completed arrangements made?—Only by rumour.

198. *Mr. Jennings.*] Mr. Harrison has arranged for a small bush on this side of the tunnel, has he not?—Yes.

FRIDAY, 30TH OCTOBER, 1903.

JOHN WILLIAM ELLIS further examined. (No. 7.)

1. *Hon. Mr. Carroll.*] At our last meeting you gave the names of the blocks that you contracted for in your timber leases?—Yes.

2. And they were?—Hohotaka.

3. *Mr. Fraser.*] Is that the 2,000-acre area?—Yes.

4. *Hon. Mr. Carroll.*] And the next block?—Tiroa.

5. What area?—3,000 to 4,000 acres milling-timber. And Mangawhero; that is nearly cut out—there are about 200 acres left.

6. These are under title from orders of the Native Land Court?—Yes.

7. Are there many owners in those blocks?—Yes; there are about one hundred in the Hohotaka.

8. And Tiroa?—Something over one hundred. I am not quite sure of the exact number.

9. And Mangawhero—that is practically cut out?—Yes; that is a small block.

10. Did you contract with the whole of the owners?—With the whole in Tiroa, but the other is not fully completed. It is complete as far as it goes, but the deed provides that it is not necessary that all should sign to complete agreement.

11. Why is it not necessary for all to sign?—I do not say it is not necessary. It provides that the agreement applies only to the interests of those who do sign.

12. Have the interests been allocated?—No; not in this block.

13. In the matter of deceased owners, how do you treat the reputed successors?—The actual successors that have been appointed have signed the agreement.

14. There are no cases in which their successors have to be appointed?—Yes; but they are now gazetted to be dealt with in the Court.

15. You did not deal with them?—Yes.

16. You have taken their presumed successors?—Yes, in some cases.

17. Anticipating confirmation by the Court?—Yes.

18. You said you were not quite clear as to your objection to the clause, or to the Maori Council being placed in the position to ratify transactions in regard to timber between the Natives and the sawmillers: I think you said the Councils had no power?—Yes.

19. Is that your only objection?—Partly; my objection is because it is a legal question, and they are not possibly competent to deal with it.

20. Then, you would make that exception, that in legal phases you would not submit your transactions to them for decision?—I should prefer them to be submitted to a Judge of the Supreme Court.

21. Then, if it came to a question, apart from the settlement of a legal point, as to the *bona fides* and equities of the transaction, would you still have the same objection to the Maori Council?—Why divide the inquiry? And, besides, an Order in Council is necessary to confirm action of Council.

22. Put your answer in this way: that without the Order in Council you would be quite satisfied with the Maori Council?—Yes; I am not afraid to submit it to any tribunal.

23. Leaving aside the settlement of any legal question, leaving aside also the issue of any Order in Council that may be necessary, and taking the *bona fides* of any contract and the equities thereof, would you prefer the Supreme Court to settle the matter on these grounds in preference to the Maori Council?—I have no reason to doubt the fairness of the Maori Council, but it seems undesirable to divide the matter into two parts.

24. In any case you prefer the Supreme Court?—Yes, I think so.

25. Supposing the Supreme Court rules you out on a point of law and declares the contracts to be invalid, and you still had a show of your own transaction being tested on the ground of equity and fair dealing, would you not like to have a validating tribunal?—Yes; but if the Supreme Court ruled that it was not legal it would be of no use bringing it before them again.

26. Supposing, as we have had a Validation Board specially set up to inquire into the *bona fides* of transactions between the Natives and Europeans, and to confirm and validate them, irrespective of any technicalities of law: supposing it was necessary for you to go before any tribunal, which tribunal would you prefer—the Council, or any other tribunal?—I have no objection to the Council so long as they have power to settle the matter themselves.

27. If they had power to settle their judgment you would have no objection?—No.

28. Talking about timber land; take the land you are connected with: what do you estimate would be the number of feet per acre?—It varies very much. I should say from 30,000 ft. to 40,000 ft. would be about the average.

29. *Mr. Mander.*] Is that log timber or sawn timber?—That would be log-measurement.

30. What percentage do you reckon you lose on timber between log and mill measurement?—About 25 per cent. The timbers we are working are very faulty timbers—rimu, matai, and totara—and there is a large amount of loss.

31. *Hon. Mr. Carroll.*] Into your bushes you have constructed tram-lines?—Yes; one nearly eleven miles long.

32. And the labour required to be performed by the Natives is the felling of the timber and placing it on the trucks?—Yes.

33. That is all in the price you gave us yesterday?—Yes.

34. *Mr. Fraser.*] Delivered in the boundaries of the blocks?—In the case we are speaking of it is on the trucks.

35. *Hon. Mr. Carroll.*] I understand you have tapped these bushes with a tramway, which you built yourselves, at your own expense?—Yes.

36. And it is there on the scene of the timber which is being felled?—Yes.

37. And as the Natives fell it it is put on the trucks?—Yes.

38. The distance of the tram is eleven miles?—Yes; that is about the present length of the tram.

39. You have to bring the timber eleven miles?—Yes; we shall have to bring it further in some instances. We extend our tramway as we extend into the bush.

40. And the further the distance you have to carry it the tramway would lengthen?—Yes.

41. And under these conditions you give how much per foot?—This is a different block.

42. Well, take that one block?—The royalty paid for the block the tramway is in is different.

43. What do you pay for timber in the Tiroa block?—1s. for totara, and 4d. for all other timber—that is, log-measurement.

44. Are there any other conditions?—I may say that when we first started cutting at Mangawhero we had timber-measurement (superficial) and log-measurement, and the Maoris, of their own accord, asked us to alter the system to log-measurement, as sawn-timber measurement was so confusing.

45. What were you proposing to pay for sawn timber?—8d. or 9d.

46. When was that?—About twelve years ago, when we started at Mangawhero. We give 6d. for kahikatea and 9d. for rimu on that block, log-measurement.

47. In the other case you gave us yesterday, was that in the Hohotaka?—Yes.

48. You have no tram in the Hohotaka?—No.

49. How do you work?—We have not started there. We intend to put a tramway down about three miles to where we have a mill in the Government bush. We have secured the right to lay a tram from the Wellington Land Board, and also the Auckland Board, into the Hohotaka bush.

50. What are your terms in the Hohotaka?—I am giving you the net terms: 1s. 6d. for totara, 6d. for rimu and matai (with a bonus of 6d. on first-class heart of matai only), and 4d. for kahikatea.

51. Do you supply the Auckland market with timber?—Yes; we have a small yard in Auckland.

52. What is your freightage?—From that block 3s. 11d. per 100 ft.—from Hohotaka.

53. What are your quotations for Auckland—what do you sell it at?—The main or principal class, 13s. a hundred. We compete with the medium kauri. I may say the conditions of the Auckland market are rather peculiar. There is practically 10 per cent. allowed on all timber sold in Auckland.

54. You allow that to purchasers?—Yes. That is not so in the other markets of New Zealand, I think.

55. On all your small and large quantities?—As far as we are concerned we allow it on all. As a matter of fact, we allow 17½ per cent. on practically all the timber that goes to Auckland.

56. To the sellers?—Yes.

57. What is the mileage from Hohotaka to Auckland?—From where our mill is it is 180 miles.

58. You sell timber, of course, in the Provincial District of Auckland—in the Waikato and other places?—Yes; we have a through freight to Auckland.

59. There is not much difference in the freight?—No; to Cambridge from Mangapeehi it is 2s. 11d., as against Auckland 3s.

60. You are quite agreeable and quite satisfied to have a test case as to the validity of these transactions brought in the Supreme Court without any legislation?—Well, of course, we are not anxious for it.

61. But you would prefer that to any legislation?—Yes.

62. *The Chairman.*] You have said that you would prefer to submit the question of the legality of this agreement to a Judge of the Supreme Court: would you prefer to submit the question of the price you have paid for the timber to a Judge of the Supreme Court, or to any other tribunal?—As I said before, it seems a pity to divide the inquiry into two parts. A Judge of the Supreme Court should be capable of deciding the whole matter.

63. On the question of the price of the timber?—He could call in expert evidence the same as any other tribunal. We could defend the rate of the royalty before any tribunal whatever.

64. *Mr. Fraser.*] Following up the questions put by Mr. Carroll, you have been instructed and advised that these transactions are legal?—Yes.

65. You say you would not object to the Government taking a test case into the Supreme Court?—I do not know that I would put it in that way.

66. Do you say you would not object to the Government taking a test case into the Supreme Court with regard to the validity of your transactions in lieu of legislation?—Yes, I would like the matter settled.

67. In preference to legislation?—Yes.

68. Of course, you would add the proviso that your costs should be guaranteed?—Certainly, I should like to add that.

69. Speaking as a business-man, do you consider it right that the Government should take proceedings to force you into a Court of inquiry in a matter of this kind?—No.

70. Do you not object to the Government interfering in a matter of this kind, where you deal with the Natives on a fair basis?—I certainly do. We have been at work for over twelve years, and it seems to me rather late in the day to raise the question.

71. Have the Government purchased any lands in the vicinity of these blocks?—Yes.

72. Can you tell the Committee the price the Government paid for those lands?—The land adjoining Tiroa was bought for the Government at 3s. an acre.

73. Timber and all?—Yes.

74. Have you any idea of the area that was bought?—It is a very extensive area.

75. How long ago was that?—I suppose it was completed—I am speaking from memory—three or four years ago.

76. I want to take you to the Mangawhero Block?—Yes.

77. That is an 800-acre block?—Yes, the bush part.

78. Are you aware that the Government negotiated for the purpose of that block?—I do not know that they particularly negotiated for the purchase of it; but for an adjoining block the price was 6s. an acre.

79. For land of a similar class?—Yes; in one subdivision of the Mangawhero bush.

80. *Mr. Remington.*] Is that similar timber country to what you have acquired?—Yes.

81. *Mr. Fraser.*] You have cut 600 acres out of the Mangawhero Block?—Yes.

82. How much have you paid the Natives up to the present?—Between £6,000 and £7,000.

83. You have still 200 acres to cut?—Yes.

84. And further payments have still to be made to the Natives?—Yes.

85. Do you know the land that is leased by the Taupo Timber Syndicate?—I have been through it.

86. Do you know the area that they have leased from the Natives?—The bush is between 6,000 and 7,000 acres. I have only their own figures to go by for that.

87. It is given as 6,245 acres in their prospectus: what class of timber is that?—Chiefly totara—a very good class of totara.

88. Is the 6,245 acres the area of the timber or the area of the whole block?—I can only go by their own statement; it is the area of the timber.

89. And it is chiefly totara?—Yes.

90. Do you know what the company are paying the Natives for that?—They say themselves they are paying £2 an acre.

91. You are aware no doubt that they were given permission to go on this block by Order in Council issued by the Government?—Yes.

92. You have had considerable experience in timber, I presume?—Yes.

93. I would like to ask you, as an expert, what, in your opinion, would be a fair price to pay for that 6,245 acres?—I hardly think that is a fair question. It is a hard question to answer right off.

94. *Hon. Mr. Carroll.*] You have not been on the block, have you?—Yes.

95. Right over it?—I have been over it in several directions.

96. *Mr. Fraser.*] Perhaps you will have no objection to saying this: that as a totara block it is of the very highest order?—Yes, it is of the very highest order.

97. I do not know whether you have already given it, but it does not matter if you repeat it: in the Tiroa Block what is the freight on the railway to the market?—Three shillings. That is, to our big market—Auckland.

98. And you give the freight from the Hohotaka Block as 3s. 11d.?—Yes. We are now paying £6,000 annually for freight. That is altogether apart from the timber we do not pay freight on, and does not include the fares paid by employees travelling on the line, and the freight for what goods, &c., they get up.

99. Is there a clause in your agreement with regard to the Natives checking the output?—Yes; they are empowered to check the output by the agreement, and, as a matter of fact, they do appoint generally two of themselves.

100. Has there ever been any expression of discontent among the Natives?—No; just the opposite.

101. Then, we can safely say it is an amicable and friendly arrangement between the Natives and the Europeans?—Decidedly.

102. Did it ever occur to you to apply for an Order in Council for permission to deal with the Natives?—No. I have applied in other cases, and have not succeeded in getting them.

103. For timber rights?—Not for timber rights; but where I live I have tried to get an Order in Council for land for a home, and cannot get that.

104. I take it, then, that you were so satisfied with the legal opinion given by your solicitors that you did not consider it necessary to apply for an Order in Council for these blocks?—Yes.

105. *Hon. Mr. Carroll.*] How do you pay the Natives—monthly, or when?—Quarterly.

106. Are their interests defined, so as to enable you to know the proportions?—Yes; they are defined by the Native Land Court.

107. Who gives the receipts for the money?—It is done individually in most cases. The trustees sign for the children.

108. And the other Natives come and take their share?—Yes.

109. Hitherto they have worked together as a body, with no disagreement among themselves?—Yes. Of course, there are occasional minor disagreements, but they settle them themselves. There is no dispute about the division of the money, because that is laid down by the Native Land Court.

110. Speaking of the Taupo Timber Company, you have no direct knowledge, except what you have gleaned from their report, as to the price and terms, and other things?—No, except common hearsay.

111. Do you know whether they ever negotiated or tried to get land along the Main Trunk Railway line?—Yes.

112. The Taupo Timber Company?—It was not the Taupo Timber Company, but it would be people representing them—at Taumarunui.

113. Practically the same people?—Yes.

114. And they failed to get timber leases along the railway-line at Taumarunui?—It was generally reported that they were not satisfied with the timber.

115. You do not know that they have been refused permission by Order in Council to treat for a lease of timber along the line?—No, I do not.

116. But you do know that they had been negotiating?—I know they were up there examining the land for a considerable time.

117. That is in the vicinity of where you are?—Yes; in the vicinity of the Hohotaka Block.

118. Were there others besides yourselves and the Taupo Timber Company engaged in negotiating for timber rights there?—Yes, there are others.

119. And they did not succeed?—Yes, they have succeeded.

120. What others are there besides yourselves in that locality?—I can only speak from hearsay.

121. But there are no mills at work except yours?—Only ours.

122. Of course, you are aware that all that land is within the prescribed area—within the Rohe Potae?—Yes.

123. Where the State decided there should be no private transactions or negotiations in land?—Yes.

124. You were in the district, I presume, at the time of the purchase of the Waimarino Block by the Government?—Yes.

125. At that time, and immediately afterwards, were there parties or companies after timber land in that part of the country?—I do not think so. This is quite a new thing. I explained yesterday that we were practically driven on to the Maori land there because the Wellington Land Board asked us to put up a mill to complete a contract for sleepers instead of splitting them, but when we had cut out the land they had allotted us we could not get any more from them.

126. And therefore you were forced on to the Native land to carry on your timber operations?—Yes.

127. I suppose you were the pioneers of the sawmilling industry in that district?—Yes, with the exception of a Maori-owned mill, we are the only sawmillers in the King-country.

128. All through the Native-land-purchasing operations of the Government you were the only millers carrying on a timber business?—Yes.

129. You do not know of any others who made the attempt?—No; of course, there have been numbers of others cutting sleepers and firewood.

130. I mean apart from that?—Yes.

131. *Mr. Hone Heke.*] I would like to get you away back to Hohotaka: I think you said a while ago that the timber was sold first class at 13s.?—Ordinary building-timber. That is virtually the first class.

132. How many grades do you give for totara?—Four grades.

133. Should I be right in saying that the first grade would be sold at 13s.?—No; totara is classed differently.

134. *Mr. Mander.*] What average of timber per acre would you consider there is on this Taupo Block?—I do not know that I am competent to judge. The manager told me they had so far cut 80,000 ft. to the acre.

135. Do you think it would average half that—40,000 ft.?—That is what they put it at in their prospectus.

136. Your timber you said averaged 30,000 ft. to 40,000 ft.?—Yes.

137. What do you consider the royalty worth on your own block—the totara—per 100 ft.?—1s. 6d. is what we are giving. That is equivalent to 2s. on sawn timber.

138. If there were 40,000 ft. per acre on that land it would be worth £30 per acre?—If it was all totara, but it is not all totara.

139. I do not suppose it would be unreasonable to value it at £28 per acre for royalty?—I put my own valuation, roughly, at about £13 per acre on the Hohotaka Block. Of course, there is a certain amount of kahikatea and other timbers amongst it.

140. I was asking you about the Taupo bush: I want to get at what you consider the timber to be worth?—I cannot say. We are Crown tenants, or rather, tenants of the Wellington Land Board. I may say that we offered the Maoris at Hohotaka the same as we are giving to the Wellington Land Board, and could not deal with them.

141. You estimated your timber at something like 30,000 ft. or 40,000 ft. per acre of timber standing on it?—Yes.

142. That would not average 1s. all round?—No.

143. You do not think it would be unreasonable to estimate the output of timber on the Taupo Block at £28 an acre, valuing it by the royalty?—I should think not.

144. Do you think it is a righteous principle for the Government to make one law to invalidate another?—I do not, certainly.

145. Do you think it right if you enter into contracts, and make a very good bargain, that the Government should step in and invalidate your bargain?—No.

146. It is a mutual arrangement between two parties, and both parties are satisfied?—Yes. It is a very unusual thing. If we had broken the law it would be a different matter.

147. You would not have gone into the business if you had had any idea that the Government would legislate retrospectively without first going before the Court and proving you guilty of a grave offence?—No. I do not feel like a criminal at all. I feel more like a good colonist.

148. Would you have built your mill there if you had not felt sure of getting sufficient timber to recoup you for your outlay, and give you a reasonable profit?—No. It cost us about £10,000 to get our first log out at Mangapeehi.

149. What do you consider a reasonable margin between the wholesale and retail price of timber?—As I have said, we allowed $17\frac{1}{2}$ per cent. in Auckland.

150. But if you were selling your whole output to anybody what would you consider a reasonable price, taking into consideration bad debts and loss in the timber?—We have not had any experience of that sort, but it would make a wonderful difference.

151. *Mr. Jennings.*] How does the land take the grass after the bush is felled?—The bulk of it is pumice country. It does take grass, but how long it would hold I do not know.

152. *Mr. Field.*] Do I understand you to say that in the case of the Mangawhero Block the Government were endeavouring to purchase land, timber and all, at 6s. an acre?—That is so. They did buy some adjoining, at 6s. an acre.

153. And you have paid the Natives in timber royalties alone over £6,000?—Yes. Of course, the Mangawhero Block is not entirely bush.

154. But what the Government was endeavouring to buy was part of this particular bush?—Yes.

155. What is the quality of the soil on that land?—It is very good land. Kahikatea swamp when drained is the best land in the country.

156. In making these contracts with the Natives were they fully advised, and did they understand the transactions?—They are fully advised by licensed interpreters.

157. Do they have pakeha or half-caste advisers who can explain to them what the timber is worth and the prices to be paid?—Yes. These things are not settled in one day, one week, or one month; the discussions are very full.

158. They have plenty of advisers well able to advise them?—Yes. A lot of them interested in the Hohotaka Block live in Hawke's Bay.

159. You were drawing a comparison between the timber royalties you are paying the Government as Crown tenants and the prices you are paying the Natives?—Yes.

160. Will you tell us the difference?—We pay 2s. for heart of totara; this is, of course, on sawn timber. We pay 1s. for the rest of the totara—for what is generally known as "O.B." timber (ordinary building).

161. And how do the prices you are paying the Government compare with what you are paying the Natives, taking into consideration the facilities you have for getting the timber out?—The Government timber is right on the side of the railway-line, and you can almost put the timber on the rails.

162. Then, you are paying the Natives really higher royalties than you are paying the Crown?—Yes; about 25 per cent. advance. It is 2s. on heart and 1s. on the rest of the log for totara to the Crown.

163. Some questions have been asked you as to the prices paid by the Taupo Timber Company for their land?—Yes.

164. I presume it is only fair to state that the difficulties the Taupo Timber Company have to overcome are very serious ones?—Yes; there are some fifty miles of tramway to lay.

165. That would, of course, detract a good deal from the value of the timber?—Yes.

166. *Mr. Remington.*] What price per acre did you pay, as far as you know, for the Crown timber on the area you had from the Crown?—I do not think I could answer that straight off.

167. Roughly speaking?—It would be absolutely guess-work. Of course, it is not actually finished. We are only able to cut the totara out. I should say, roughly, we paid £8 or £9 per acre. I may say it is a burnt bush. A bush-fire had been through it, and there was a good deal of waste through it. We have still a lot of timber there stacked. We do not pay the Government until we have sold the timber. They are very good terms, and we were quite satisfied with the Government, and we did not want to get away from them.

168. In your transactions in native timber have you had any dispute over the payment?—No.

169. They have had no occasion to complain because you were not paying sufficient royalty?—No.

170. They never expressed dissatisfaction because they considered the royalty paid was too small?—No. Of course, where there are a hundred owners in a block you may get little com-

plaints at different times; but I do not know that they have ever objected to the amount of the royalty. When the Natives thoroughly understand a bargain they very seldom try to repudiate it.

171. In your answer to the Native Minister you said that you would not mind submitting the validity of your agreement to a Judge of the Supreme Court: do I understand you have a desire to do so?—I have no desire to, certainly.

172. Nor do you think that an agreement entered into, that you thought perfectly legal and valid, should be submitted for test to a legal tribunal?—I do not think there should be anything of that sort. It seems to me to be very late in the day to raise that question.

173. Reviewing the value of the timber, if it were possible to do so, in the light of present-day circumstances would afford no criterion as to what it was worth twelve years ago, nor could you go back to that position if you tried?—I do not think so. We are paying decidedly higher royalties for the Hohotaka bush than we are paying the Crown on similar land.

174. *The Chairman.*] Mr. Remington is trying to elicit from you whether timber is higher in value now than it was twelve years ago?—That is so.

175. *Mr. Remington.*] At that time there was what is called a slump in timber, and there was not the demand for good timber that there is to-day?—No; and we do not know what the trade will be like twelve years hence.

176. *The Chairman.*] You take the risk—the glorious uncertainty of that?—Yes.

177. *Mr. Wi Pere.*] How many classes of totara are there?—Four.

178. Will you describe them?—Best—the heart; rough heart; ordinary building—that would be mostly sap; and second class—bark, and so on.

179. That is the practice with that class of timber, to have four classes?—Well, of course, each district varies in some respects.

180. I do not think you ought to say that, because there are only two descriptions of totara—one is red and the other is white; and no matter what description of tree it is, it is always the same—one is white in colour and the other is red?—I would like to point out the honeycomb.

181. Only where the kaikaka has got inside the tree; but there are only two colours—red and white?—I should very much like you to come up and see the timber we have stacked there, and you would see the different classes, and honeycomb in the totara heart.

182. Kaikaka is only the white totara?—I may say we are only novices in working totara, and are following the practice of other districts.

183. I do not want Mr. Ellis to think I am finding fault with his agreement. I am surprised to hear that there are four different classes of totara, because I will bring all the Maoris in the place to prove that this is not the case. I want to say that if there are speeches to be made I am certainly going to say what I have to say. My second question is, Who do you want to give effect to your agreement?—I believe the law has already given effect to it.

184. Has it been registered?—It is only an agreement.

185. Under which law do you consider it is already confirmed?—Under the common law.

Mr. Wi Pere: I should like to know under which law it is—what part of the law it is—that you consider has made this agreement valid. I do not want this brought into the Supreme Court, but just in the cheapest way to give effect to it, and then it is quite open; because Mr. Ellis's agreement, as compared with another agreement brought up here, is an all-right one. I can only describe the other agreement as being a Satan.

186. *Mr. Hone Heke.*] How many grades do you make out of totara?—Four.

187. Will you tell us the price for which you dispose of your first grade in Auckland?—We dispose of it on the truck at Mangapehi.

188. On the truck, what would you sell your first grade at?—Sixteen shillings is our price to the Public Works and other Government Departments.

189. How do you deal with the other grades—second, third, and fourth?—Rough heart is 11s. 6d.—that is, on the trucks. The other grade is 13s., freight paid, the O.B.; that is a big class.

190. Not on the truck?—No. There is a great difference between them.

191. How do you deal with the second class?—The second class is 10s., also freight paid.

192. How many grades do you make in matai?—There are four grades in matai.

193. Are they the same as the other?—They are not quite the same.

194. Do you mind giving me the grades?—Heart, rough heart, O.B., and what we call a fencing class.

195. How do you dispose of the first—heart: on the truck?—No, not on the truck. At 15s., freight paid.

196. How do you dispose of the second grade?—That is 13s., freight paid, also.

197. And the third, O.B.?—The second is rough heart, 12s., and the other is 13s., O.B.; freight paid in each case.

198. And this fencing class?—That is 7s. on the truck.

199. How do you deal with the rimu—in grades?—We have four grades in that.

200. On the same lines as the matai?—Hardly the same.

201. Do you mind giving them?—Heart, rough heart, O.B., second class.

202. On the truck?—No; freight paid.

203. What would be the first?—15s.

204. Rough heart?—11s. 6d.

205. Freight paid?—Yes.

206. O.B.?—12s. 6d., freight paid.

207. And second class?—9s. 6d. Freight paid in all cases.

208. And the kahikatea—four grades?—Kahikatea is an export timber.

209. In bulk or timber?—In timber. First class for export is worth about 6s. 6d. That is what we sold our last shipment at in Auckland.

210. And second class?—We get for second class 7s. retail.

211. Do you know of the Huhutirau Block?—Yes.

212. Can you give us the names of the parties who acquired the right over that timber?—I do not know that I can. Mr. Stewart has been the negotiator.

213. Whereabouts is the block?—Huhutirau is on the Taringamutu River, near the main trunk line.

214. Do you know of any persons round about the King-country, and away towards Taumarunui, or on the coast, who are paying the Natives 2s. per hundred for their totara?—There is no totara round the coast.

215. Well, in the King-country or at Taumarunui?—I believe some are paying 2s. for sawn heart totara.

216. With regard to the new clause in the Bill: supposing the Natives were willing to transfer the timber land to the Maori Council for the Council to give a title to any European who desires to acquire timber rights, would you have any objection to dealing with the Council?—I have no objection to a good title if the Council can give it; but, unfortunately, they have not been able so far to give one.

217. The Council apparently has been in a position to be possessed of timber areas?—I was not referring particularly to timber areas. The Council so far does not seem to be able to give titles.

218. I am not speaking of land, but of land carrying timber: would you have any objection, if the Natives handed over their timber rights to the Council, to allow the Council to administer them?—No, I do not think any one could have an objection to that.

219. Which system would you prefer, dealing directly with the Council, or dealing for it in your own way by getting the consent and signatures of the Natives?—I am very well satisfied with the way we have been managing it so far.

220. You consider it would be far more satisfactory to deal direct with the Natives, notwithstanding the enormous expense involved in getting the signatures and paying agents?—Well, the Council would submit it to auction very likely.

221. That would be your objection?—There would be no possibility of direct dealing in that way.

222. Supposing that were the case, if the timber land were transferred to the Council would you not prefer to compete for it in the open market if the Council had the right to administer it on behalf of the owners?—It would depend upon the terms. I have already said I like dealing with the Wellington Land Board, a Government Department, for timber.

223. Would you prefer to deal privately with the Natives than to deal with the Council, supposing the Council had the right to deal with the timber on behalf of the Natives and to dispose of it by public auction?—I have no objection. I have tried to help the Council as much as I can in land matters.

224. I take it, from the provisions in your agreement, that you would like to see the Natives get fair value for their timber?—Yes.

225. You would have no objection to the Council disposing of the timber by public auction if the timber country of the Natives were transferred over to it?—No. As I read the Act, we have power to deal with the Natives, and to apply for ratification to the Council under clause 28.

226. With regard to your preference for a Judge of the Supreme Court to deal with this matter, do you not think a Judge of the Supreme Court is not in a position to deal with agreements in regard to timber on lines that would suit Europeans or Natives, because they have no knowledge?—The main question is the legality of the transaction.

227. We have it from you, and also from Mr. Skerrett, that you are perfectly sure the thing is legal?—Yes; and we have already given evidence that the prices we are paying are at least on an equality with the Government prices on its own timber.

228. You would have no objection to legislation being drawn up for the purpose of enabling agreements or contracts with Natives for timber rights to be submitted to some tribunal—either the Native Land Court or Native Land Council—for review before confirmation?—I think the law already provides for that.

229. However, you would not object to any clause that might be brought down to carry out that intention?—So long as it is not retrospective. That is why I support the Council in land matters, because it is set up to see fair play as between the Natives and the Europeans.

230. You know the law with regard to Native leases—that they have power to review and power to refuse confirmation?—Yes.

231. A system of that kind you would not object to?—No; certainly not. I would like to tell the Committee that there is a sawmiller on land near Rotorua who will submit himself to the Committee to give evidence, and produce his agreement, if required. He has just erected a mill that has cost £5,000, near Mamaku, and does not want to come unless it is absolutely necessary.

232. *Hon. Mr. Carroll.*] Can you say of your own knowledge that this sawmiller is similarly situated to yourself?—I want to bring out this point: that within a mile of the mill the Estates Company have large areas of bush land that they are selling for £2 10s. per acre, and have so sold it within the last few weeks.

233. Whatever he has must stand on its own merits?—Yes; I was only speaking on behalf of the Maoris—as a sort of comparison. I refer to David Lundon. Because he has dealt with the Maoris he is to be ruined.

234. *The Chairman.*] If he will come down the Committee will have no objection to hearing his evidence; but the Committee have ruled that they will not hear any one unless he brings his agreement?—Yes.

235. *Hon. Mr. Carroll.*] We have only taken individual cases and the Palmerston North agreements as sample contracts between the Natives and Europeans, as far as they bear on the proposals of the Government with regard to legislation. These agreements give us a type of the transactions which may enable us to pronounce upon their merits?—Just so. I should like to get an expression of opinion as to whether the Committee are satisfied that they have enough evidence now. It is a long way to bring a man down from the Rotorua district, and I do not think his agreement would vary much from our own.

236. *The Chairman.*] His place is on the way to Rotorua?—Yes; it is out of the King-country.

237. *Mr. Hone Heke.*] Where is the Estates Company's land?—In the Thames Valley. They have sold 2,000 acres to an adjoining sawmiller at £2 10s. an acre.

238. *Mr. Field.*] About how many feet would there be to the acre?—From 10,000 ft. to 15,000 ft.

239. *Hon. Mr. Carroll.*] Have you inspected the land yourself?—I have just been through that country and round about it.

240. *Mr. Fraser.*] Adjoining this property of your own are there any Crown lands?—Yes.

241. Has the timber being destroyed on this area, or milled?—No timber has been worked.

242. The timber is still standing?—Yes.

243. *The Chairman.*] The land is not occupied by Europeans?—No.

244. *Hon. Mr. Carroll.*] You applied, you say, to the Government for permission to contract for Crown lands?—Yes, with the Wellington Land Board.

245. And they refused?—Yes. They gave us an area of 100 acres, but they said they had been advised not to open the bush until the line was made. It was a question of policy.

246. They would not throw open those timber areas to private companies then?—No.

247. *Mr. Fraser.*] Is there any danger of fire in that country?—There is danger of fire in all totara forests. In the Crown forests we are working out two-thirds of it was destroyed by fire.

248. And you say the Land Board will not lease this property?—Yes. There is one matter I would like to mention to the Committee; it does not affect timber rights, but it is an important matter to a large number of people—that is, the continued restriction over the King-country. The Government have not been purchasing land there for years, and they still keep that land locked up. I think it is very unjust. We have been trying lately to form the district into a county, and our chief trouble is that there are large blocks of Maori land that do not pay rates, while in many blocks there are only one or two owners. We think it is a great injustice to us to keep the land locked up like this. It cannot be for the good of the country, because if it were opened it would be producing something, if it were only leased. When this second schedule in the 1894 Act was advocated nine years ago there was good reason for it, because the Government were purchasing land, but now it is quite different, and it is very unjust to keep the land locked up.

249. *Mr. Hone Heke.*] When did the Government stop buying?—About three years ago.

250. *Hon. Mr. Carroll.*] The Counties Act is not in force there?—No, not yet. The unoccupied Native land is the greatest difficulty we have had to fight.

251. *Mr. Harding.*] Is there any land in the hands of the Natives that the Government might acquire?—Yes; I think the Government could have acquired all this bush we are talking about.

252. *Mr. Hone Heke.*] Do you think it would be a good thing for the Natives and others if the Government were to cease purchasing their land?—Well, I have put some cases before the Maori Council, and the rentals they would get are almost as much as they would get from the Government for the freehold.

253. You think it has been a good thing that the Government ceased acquiring Native land in your district?—It should be a good thing.

254. *Mr. Fraser.*] When the Government ceased to buy the land it lay idle there?—Yes.

255. *Hon. Mr. Carroll.*] When did you apply for a county to be set up?—The measure was introduced last session—the Kawhia County. Practically all the Crown lands are settled there, or four-fifths of it; but we are restricted all round there as regards Native lands.

256. You know that there are large blocks there held by a large number of owners, and it is essentially in the interests of the Natives to have all their interests adjusted on some settled line of procedure before you deal with their alienation?—There is something to be said for the larger blocks.

257. Take the Rangitoto-Tuhua, how would you go about that?—When I suggested that you should take off the restriction you said that the owners would subdivide until they got them down to two owners, so that they could deal with the land.

258. Supposing there are five or six hundred owners, how would you go about acquiring the whole of their interests?—You would have to subdivide.

259. How long would that take?—It would take a long time; but there are several large blocks that could be very soon subdivided. If the country gets the lands settled in small areas by settlers, it will be of great benefit to all.

260. But there is also the question of the settlement of the Maoris themselves to consider: that is of equal importance to the European?—Yes, and I was much pleased to see that provision in this direction in the Bill.

261. And encouragement must be given to the Maori to follow farming pursuits, and so on—that is, to those who are deserving and capable?—Yes, that is so.

TUESDAY, 3RD NOVEMBER, 1903.

DAVID LONDON, Sawmiller, of Mamaku, examined. (No. 8.)

1. *The Chairman.*] You are aware that the Committee have been taking evidence with regard to the Maori Land Laws Amendment Bill, especially with regard to clause 31A, and I presume you have seen the Bill?—I have seen the clause referred to.

2. The Committee are anxious to ascertain from those who volunteer to give evidence on this question what they have to say: it is understood that you have some leases with the Natives with regard to timber rights?—That is so.

3. Have you an agreement with the Natives with reference to the timber on their lands?—Yes.

4. Have you got the agreement with you?—I have.

5. It was resolved by the Committee that the contents of the agreements should not be made public, but that the witnesses should be called upon to explain the different features of their agreements for their information?—Yes.

6. Perhaps you will be good enough to explain to the Committee from your own agreement—or a *précis* of it—your position in reference to these timber rights?—Yes. I have three agreements with the Natives. There is one Waiteti which is subdivided into two, but they are practically the one block, and there is one in the Okoheriki Block. The general purport of the agreement is that I make arrangements with the Natives to cut the timber, which is furnished to us by them at our mills, and for which they receive as royalty 6d. per 100 ft. They also furnish the labour, for which they receive 1s. per 100 ft.

7. *Mr. Hone Heke.*] Give us the names of the timbers?—Any marketable timber the bush may contain, but we are practically only using the rimu. There is a little kahikatea, but very little of any kind except rimu.

8. *Hon. Mr. Carroll.*] You contract for all the timber that is marketable?—The only timber that we are dealing with is rimu. We have power to take this timber from the Natives, and if necessary to erect tramways and mills, as agents; and we also hold a power of attorney under the agreement providing that, in the event of the Natives not supplying the timber to us, we can cut it ourselves. We have not erected a mill yet on the Okoheriki Block, although we have the right under the agreement to select a mill-area or ground for a milling site or sites at any part of the bush we choose, and also to construct tram-lines for bringing out the timber. The terms on which we are allowed to acquire the timber rights are for twenty-one years.

9. *The Chairman.*] And the prices?—Sixpence royalty for all timber or any timber that we may cut, or, rather, that the Natives may supply us with. They cut it themselves.

10. They deliver it at the mill for 6d. a hundred?—No; they get 6d. a hundred as royalty—that goes to the owners of the land—and they get 1s. a hundred for the labour of felling it. We do the milling ourselves. The hauling is done at our own cost, both at the skids and along the tramway to the mill, so that they are practically getting 1s. 6d. for royalty and labour.

11. Delivered at the skids?—We haul it to the skids from the stump. The Natives fell the timber and break it out, and it is hauled by our bullocks and at our expense to the skids and along to the tram. They supply one man, who helps to haul it off the skids to the tram. We do all the hauling, and practically the timber is costing us 2s. 6d. at the mill.

12. *Mr. Herries.*] How do you measure the timber?—In the log. There is a modification to this agreement, but I came away in haste and left it behind. When I received the telegram to attend this meeting I got our solicitor to put the agreements up all together, but afterwards, to my horror, I found that the modification to the different clauses of this agreement was not among them. If it is considered desirable I shall be pleased to give an order to have it produced here. One agreement, however, covers the lot, as they are alike, and each Native has a copy. The Natives hold the original agreement in one case, and we hold the original in the others. [NOTE.—Modified agreement subsequently produced.]

13. *The Chairman.*] What does the hauling cost?—About 1s. a hundred.

14. That is in the round?—Yes.

15. Then, the timber practically costs you 2s. 6d. a hundred?—Yes, 2s. 6d. in the mill.

16. *Mr. Hone Heke.*] You pay the Natives a royalty of 6d. and 1s. a hundred for felling and cutting?—That is so. The price is far more than is paid generally in the locality. We acknowledge that the Natives are not able to deal with timber like Europeans, and for that reason they are paid that sum.

17. *The Chairman.*] Have you anything further to state?—If the agreement is minutely gone into—it is a long one—it will be necessary to read with it the modified agreement I have spoken of, because this agreement purports to do certain things which the other one modifies and alters. I should like your ruling as to whether you would like the modified agreement wired for, because if you had it you could deal with the two agreements together.

18. Does this modified agreement alter the terms as regards the price?—Not in any way as regards the price.

19. In what respect do they differ?—A few clauses are altered. In this agreement here we are acting more on a power of attorney as contractees under the Natives as contractors, and we have power to erect mills and make a certain charge for their erection. Under the modification there is no charge to be made so long as they keep their agreement with us. It was necessary to have some modification with regard to the mill. Since then we have been able to acquire a freehold of about a chain away from the bush, and on that we have erected our mill; and there is provision that no money shall be received from the Natives for tramways. There is an arrangement that the timber shall be paid for immediately after it is sawn, and the Natives can claim their money either weekly, fortnightly, monthly, or when they like. We are paying on the log-measurement. The modified agreement will not show that, but we are. We started the mill on the log-measurement principle, and we mean to continue it as such.

20. *Mr. Remington.*] What date or dates were these agreements made?—About a year ago. One is dated December, 1902, the next is the same date, and the third is dated 15th August, 1903. The latter is the Okoheriki agreement. The two dated December of last year are subdivisions of the Waiteti Block, and the other is Okoheriki, adjoining the same block. We are not bush speculators in any shape or form. We could have got other blocks, but did not want them.

21. What is the area?—I think there are about 2,000 acres in Waiteti portion. There are three subdivisions in the Waiteti Block. In the Okoheriki there are about 4,078 acres, but it is not all bush. There would be, perhaps, getting on for 3,000 acres of bush, and probably 1,500 acres in the other block.

22. That would be, roughly speaking, between 4,000 and 5,000 acres of bush?—That would be the outside amount; it would probably be less. The bush is ragged at the edges, and we are not using some of it at all.

23. Have you estimated what it would amount to per acre to the Natives?—Yes; it would be about £10 10s. per acre.

24. That is for the cutting?—That is for the cutting and the royalty. The timber is not very thick in that locality. The basis of calculation there is about 10,000 ft. to the acre. I think that is the Government estimate of what the timber will produce there.

25. *Mr. Hone Heke.*] 10,000 ft. to the acre?—Yes. The Government estimate for the land about Mamaku is 10,000 ft., and it has been sold on that basis; but the mill-owners say it does not not average above 8,000 ft.

26. *Mr. Remington.*] You say that under the agreement the Natives will receive for cutting out that timber about £10 10s. per acre?—That is so.

27. Is there any matai or totara there?—There is no totara to speak of. There might be one tree in a thousand; and there is practically no matai.

28. For all practical purposes it is a rimu bush?—Yes. There is nothing else that we have been cutting.

29. Were these agreements made with a full knowledge of the Native Land Act?—I do not know about that. The Native land laws seem to be difficult to understand.

30. They were prepared, I suppose, by competent people, who understand the Native land laws?—They were prepared by a solicitor.

31. So far as you are advised they are absolutely valid and legal?—Decidedly.

32. And the Natives themselves are perfectly satisfied with the conditions?—Perfectly satisfied. I have received a telegram from Natives this morning, which I cannot put together myself because I only understand Maori sufficiently to give parts of it.

The Chairman: The Interpreter will read it.—[Telegram read] “Rotorua, 2/11/03.—To David London, Wellington.—Be you strong in holding on to our bush, lest it go under the bad Act now being framed. We are agreeable to the arrangements made by us (*i.e.*, you and ourselves), as they are satisfactory.—MATEHAERE, WHAREKIRI NAERA [*re*] Waiteti Nos. 2A and 2B Blocks. [and] TAUI KERE and others in regard to Okoheriki No. 2C Block. TAMATI POURURU, Chairman of Committee.”

33. *Mr. Remington.*] In reference to any suggestions that have been made as to it being a matter of exploitation by the European of the Natives in connection with their bush, so far as the Natives are concerned they are perfectly satisfied with the arrangements?—Perfectly satisfied. The arrangements were given to them as a means of livelihood. The Natives were on the brink of starvation, and you will see that they all benefit by these agreements in reference to the bush.

34. How often are the payments made to them?—Monthly or fortnightly, or as often as they like to take them. We are only starting the new bush, and when I go back the money for the Natives will be ready for them. After that they will fix their own time as to when it will be most convenient to themselves, whether monthly or fortnightly.

35. You have spent a considerable sum of money in opening up the bush?—Yes, a good deal—more than £5,000—and there is a good deal more to spend.

36. *Hon. Mr. Carroll.*] In buying the plant, I suppose?—Yes, in buying the plant, erecting the mills, and so on.

37. They are assets that you claim?—Yes; the mill is on a freehold.

38. *Mr. Hone Heke.*] You have spent more than £5,000?—About £5,000.

39. In the laying-down of the tramways and putting up the mill?—Yes, for general purposes.

40. *Hon. Mr. Carroll.*] You do not mean to say that you are making a present of that to the owners?—By no means.

41. *Mr. Remington.*] The Crown Lands Commissioner of the Auckland Provincial District has himself had estimates made of the value of the bush in similar localities?—Yes.

42. And you are paying the full average price as fixed by the Crown?—Yes.

43. Then, there could be no exploitation whatever?—No chance of it.

44. Have you considered the effect, so far as yourself is concerned, not the Natives, if the proposed clause in the Bill were given effect to declaring all such agreements illegal?—If it touches our particular cases, as I presume it will, it will have a very serious effect upon us and also upon the Natives.

45. It would keep them in a state of impoverishment—you say they are already in a bad way—and you could not possibly go on?—We could not possibly go on, it would shut us up completely.

46. *Mr. Wi Pere.*] Which Act is referred to in this telegram?—I suppose it is this clause 31. Why I think it is this particular clause is because the first intimation I had of the intended passing of this clause 31 was by Tamati Poururu, the Chairman of that Committee, bringing to me a clipping from the *Auckland Weekly News* and reading it to me in reference to that clause.

47. Was it through that newspaper that Tamati obtained his information?—I presume it was. He could not have got it in any other way. He furnished me with the information.

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.

83. You say that the two Waiteti agreements were made in December, 1902?—Yes, that is so.

84. And the Okoheriki agreement is dated August, 1903?—Yes.

85. The Crown Lands Boards Regulations were issued on the 26th September, 1901, and I see that your agreements are made with the Natives since those regulations were issued: have you acquired Crown timber up that way since the regulations were issued?—I have not seen the regulations you refer to. My only knowledge of the price of rimu timber is that the general price paid is 6d., and I know of thousands and thousands of feet which have been sold at that figure; in fact, I know of any quantity that has been offered by Europeans at 4d.

86. What is your objection to clause 31 in the Maori Land Administration Bill?—My objection to it is that the clause—as I suppose it will—affects my title with the Natives in this timber. I do not think it should do so, because I have gone into the bush with the object of benefiting the Natives as well as myself. There would be equal benefit to both sides. Numerous other blocks have been offered to me, which I have refused, because I have the block I wanted. As I said before, we are not in any shape or form speculators in bush. We are going to erect a *bond fide* mill and work this patch, but outside of this I have no wish to go. If this clause affects my title I have, of course, the strongest objection to it personally.

87. Supposing these lands contained milling-timber, and were transferred to the Maori Lands Council, would you not prefer getting your title, to cut that timber, direct from the Maori Council, instead of going to the expense of appointing agents and a number of people to acquire the signatures of the Natives privately?—I would prefer to get the title from the Maori Council if it were possible to get it. In the early stage of my negotiations, which have extended considerably over twelve months, I approached Judge Edgar and Judge Gill and asked them if it was possible for the Council to take the matter over, as I would be quite agreeable to assist the Council to get these lands if it were agreeable to the Natives and they would give me the sanction I already hold; and the reply I got from both those gentlemen was that they were quite sure the Council would do that. I immediately went back to the Natives and had a conversation with them. I suggested to them that they should put these lands under the Council, with the recommendation that my arrangement should be carried out. But the reply I got from the Natives was, "We are satisfied with the arrangement we have made, and are prepared to handle the money ourselves; at all events, we are not at present ready to hand it over to the Council."

88. *Mr. Remington.*] Then, the Natives are not willing to hand over these lands to the Council?—That is the difficulty.

89. *Mr. Fraser.*] They are very intelligent Natives up there, are they not?—Yes; one of them came to me and read clause 31 himself. That was positively the first intimation I had of it.

90. *Mr. Hone Heke.*] Supposing a clause were drafted for this Bill, embodying all the conditions under which the Crown Lands Board disposed of its timber to the public, would you have any reasonable objection to a clause of that kind?—If you tell me now that the price of timber has been raised 1s. since I have made my arrangements, I would certainly object to paying 1s. after I have arranged to pay 6d., which was the highest possible price paid at the time.

91. Supposing the clause is drafted for the purpose of reviewing the transactions in Maori timber, and that the conditions in regard to its disposal should be the conditions which are embodied in the regulations under which the Crown Lands Board disposed of Crown lands timbers?—Any alterations may take place in the law in the meantime in regard to the disposal of timber by the Crown Lands Board, but probably those regulations would not have induced me to enter into a speculation at the time I did. I entered into the speculation in good faith at the time.

92. Leaving your agreement out altogether, and taking legislation in regard to dealing with Maori timber, would you have any objection at all to a clause bringing into operation the provisions under which the Crown Lands Board under new regulations are disposing of their land?—That is asking me to set aside my agreement and take my chance.

93. Supposing your agreements are not legal documents, to what tribunal would you agree to submit the review of those agreements? Would you allow the Maori Council to review them?—I would rather the Supreme Court reviewed them.

94. *Mr. Willis.*] There has been no disagreement between you and the Natives, I suppose—you have worked in harmony up to the present, and they are perfectly satisfied in all respects?—Yes.

95. With regard to the profits, after paying expenses of felling and cutting, and taking into consideration the cost of hauling, and that you have to allow this 17½ per cent. discount, do you consider you are getting an unreasonable profit on the timber?—I can assure you there is very little in it at the present prices. I have three miles of carting to do from the mill to the station.

96. *Mr. Mander.*] Have the Government sold any land adjoining these properties of yours, or in the vicinity?—They have.

97. They have bought it from the Natives?—Yes.

98. Have you any idea what they gave for it?—The Natives told me they got 3s. an acre for the land, bush and all.

99. And you say you are giving an average of £10 10s. per acre?—Yes.

100. And do you not buy the land?—No; we do not want it.

101. What do you consider the percentage of loss between log and sawn timber?—It is very large in rimu.

102. Thirty-three per cent.?—Fully.

103. Do you pay on log-measurement or mill-measurement?—Log-measurement.

104. *Mr. Fraser.*] You tell the Committee that the Government have purchased land adjoining these timber-areas of yours at 3s. an acre?—So the Natives informed me.

105. What class of timber was it? Equal to or better than what you have?—Near Mamaku I should say it was better.

106. The purchases have been proceeding up to within the last three years?—That is so, and are proceeding now—on the opposite side of the road.

107. All at the same price?—I do not know that the Government are buying land now.

108. But the Government purchases that you know of in that locality have been at the rate of 3s. an acre?—So the Natives have informed me.

109. Can you tell me the names of the blocks adjoining yours that you have been told the Government paid 3s. for?—Mamaku is one.

110. And you say that the timber is as good as, or possibly better than, that of the land you have?—Yes.

111. The Government have sold some of that land to the Europeans right out?—Yes.

112. What price have the Government charged for that land plus the timber?—12s. 6d. an acre.

113. The receipts you estimate the Native owners will receive from you for the timber—disabuse your mind from the royalty—is £2 10s. per acre?—That is so.

114. Have the Natives the use of the land while you are cutting the timber?—Yes, they are occupying it now.

115. In what way?—Houses are built there, and they are going on to cultivate it as soon as the bush is felled.

116. So they will have cultivating rights, plus £2 10s. per acre?—That is so.

117. You say you are three miles from a railway-station?—Yes.

118. And you are 160 miles from a market?—Very near. Rotorua is 172 miles from Auckland, and I think we are fourteen miles from Rotorua.

119. And the freight by train is 3s.?—3s.

120. *Mr. Mander.*] It will cost you about 9s. to put this timber on the railway-trucks?—Yes.

121. *Mr. Fraser.*] And you estimate the revenue to the Government for freight will be about £10 per acre?—Yes. I take the average railage at 2s. It will probably be more than that.

122. Do you know a property that has been leased by a company known as the Taupo Syndicate?—I have heard of the company very often.

123. Do you know the property?—I know some of it.

124. What class of timber is it on that property?—Totara, matai, and rimu.

125. Is it a rich totara block?—Yes, very rich—the part that I know is.

126. You are not bound to answer this question unless you like, so I leave it to your discretion: as an expert, what would you say is the value of the totara country they have?—I could not give you an estimate.

127. Have all your negotiations with the Natives been of an amicable description?—Quite.

128. And you say they prefer to manage their own affairs, and are not at all anxious to hand over their administration to the Maori Council?—That was their answer to me when I tried to put the matter under the Maori Council.

129. *Mr. Herries.*] This land has been through the Land Court—the blocks you are dealing with?—Yes; all of it, and divided into shares.

130. I suppose you had legal advice before the deed was drawn up by your lawyer?—Yes.

131. He was satisfied that it was a perfectly legal and valid agreement?—Yes.

132. And the Maoris are satisfied that it is legal too?—Yes.

133. It does not deal with the land?—No.

134. Has the land any restriction on it beyond clause 117?—That I am not aware of. That has a wide scope.

135. Is the land in the thermal district?—I am not quite certain; it is somewhat near the boundary.

136. *Hon. Mr. Carroll.*] It is in the thermal district?—I was not certain about it.

137. *Mr. Herries.*] If the Maoris are dissatisfied they have their remedy?—Yes, and will quickly exercise it.

138. In the Supreme Court?—Yes.

139. Have you any remedy against them?—We have a right, according to our power of attorney, to enter and cut the timber ourselves, and pay them the royalty.

140. Suppose they refuse to allow you to enter?—Then we should be blocked. I do not know what would happen.

141. You are in this position: that they can enforce their agreement with you, and you cannot enforce your agreement with them?—Yes. Of course, if they had a disagreement with us they might force us out of the bush by mere force of strength.

142. Then, in the agreements they practically have the best of it?—Yes, as Maoris usually do in my experience.

143. They do not wish to come under the Maori Council at present?—No.

144. And this clause will compel them to put their land under the Maori Council?—I presume it would, from my reading of it. I have not seen the later clause, but it compels some one, I understand, to get a title.

145. So far as you are concerned you would not object to go before the Maori Council?—Not if the Natives would agree.

146. The clause says the Council can modify or ratify?—I do not want my agreements modified; I want them ratified.

147. But, so far as the Maoris are concerned, they want to deal direct with you without going to the Maori Council at all?—Yes. I got them together and asked them, and they said they would not do it.

148. Did you ever apply for an Order in Council to get the restriction taken off the block?—No.

149. You were not advised that it was necessary?—No.

150. And you did not consider it necessary?—No. As far as I know it is a good valid agreement as between man and man; that is the advice we got.

151. And you reckon you will lose £5,000 if this legislation passes?—Yes; we would if it affects us as we think.

152. And the Maoris would be very heavy losers?—Yes. Our conditions are different to many others. We employ the Maoris, and have a good staff of them employed.

153. *Hon. Mr. Carroll.*] I want you to say again whether, in your opinion, this contract between yourself and the Natives is enforceable on one side and not on the other?—I take it in good faith that the agreement is a good valid agreement.

154. But, in fact, they could refuse to carry out their part of the agreement, and you have no power to enforce it?—In that case it would be against me.

155. You understood that risk when you entered into the speculation?—No.

156. You understood there was no risk at all?—Yes.

157. You considered it was perfectly lawful to contract with the Natives for timber rights?—Yes, in the chattel state.

158. When did it occur to you that you could contract with them for their timber in the chattel state?—When I took up the land over twelve months ago.

159. That was the reason why the contract is drawn up to make them the contractors and you the contractees?—The contract was drawn up by a solicitor, and was intended to be binding on the Natives and on us.

160. In the ordinary way you would be the contractor?—Yes.

161. But I suppose you were advised by your solicitor that the best way would be to put the Natives in as the contracting party with yourself?—When I thought it was likely to come to business I went to a solicitor and told him that I was making arrangements to acquire the right of the timber—to get the Natives to supply the timber to me—and that I wanted a document to cover my rights under those conditions, and the document is the document I now present.

162. You explained to him that you had entered into a contract with the Natives to cut the timber, and asked him to draw up the document in such a form as to give you legal rights?—That is so.

163. You say that if your contract was knocked on the head by any legislation it would be very hard on you, and also very hard on the Natives?—Yes.

164. May I understand, too, that it would be impossible for the Natives to let their timber rights legally under some other form?—No. I was presuming that if the passing of this Act affected the right of the Natives to deal with me, it would prevent them getting a living.

165. If the clause referred to existing agreements that were not made legal before a certain date, the cancellation of that agreement would cancel all future agreements: you read the clause in that way?—Yes.

166. Supposing the Natives had transferred that land to the Council, and the Council had submitted it to public tender, would there have been any loss on the part of the Natives?—Yes.

167. In what way?—In the first place, they would not have got 6d. per 100 ft. by public tender at the time they let it to me. If it is advanced to 1s., as I have heard to-day, at the time they sold it to me they could not have got 6d. As a matter of fact, the Government to-day are offering large areas of land at 12s. 6d. per acre in the neighbourhood, and cannot sell it—it is hanging fire. The Natives will suffer in that respect, and they would suffer very seriously in another respect. With me they get 1s. per 100 ft. for breaking out the timbers, which they never would have got from any other man, and they would suffer in that respect. It is an absolute livelihood for them, and you would deprive them of it. You would reduce their earning rate from £11 11s. to £2 10s.

168. Why do you say no one would engage these Natives in the way that you do and pay them 6d. royalty?—I do not know that any other people would employ Natives in the bush as I am doing.

169. Are you not aware that other sawmilling companies have provisions in their agreements for the employment of Natives?—There may be, but certainly not in my neighbourhood.

170. You say that if this land had been put up to public auction when you took it up, the Natives would not have got the price you gave?—That is my candid opinion. They would not have got 6d. a hundred for it.

171. And if it were put up to auction now, what price would it fetch, do you think?—At the present time it might fetch the 6d., but I do not think that it would fetch more. I could name a man I could get the timber from at 4d. We have bought a little for 4d. alongside the block, so it does not look as if they could get the 6d. even now.

172. You say you can get bush in the vicinity at 4d.?—Yes.

173. Have you bought it at 4d.?—Yes; small areas on the edge of this bush of mine. But I have another large area adjoining it also offered to me at 4d.

174. You can give the 6d. for the royalty and can employ the Natives at 1s.?—Yes.

175. You can pay the freight and can undertake all the other expenses, and at the same time sell it in the market and allow 17½ per cent. discount?—That is so.

176. That is outside any profits you may have for yourself?—All our profits come after that.

177. You give away 17½ per cent.?—Yes.

178. Even at the price you say is a very great price, and you say that no one would give it, you are satisfied with your own profits and can give a discount of 17½ per cent.?—That is to the dealers. We are obliged to give it. They give a percentage again out of that to the builders—10 per cent.

179. Have you your agreements registered?—Not registered—they are stamped.

180. They are only stamped?—Yes.

181. You say that all the owners of these blocks have signed the agreements?—Not all. In the Waiteti they have. I do not think there is any one outside of that.

182. You have verified that yourself?—We have not got all the block. There is land outside. As far as I know, all the owners of the bush part have signed our agreement. In the Okoheriki Block that is not so. There are some owners in that that have not signed.

183. How do you proceed in getting these agreements signed; do you employ any one to get the signatures?—No, I got the signatures myself. I have a licensed interpreter, and he and I go and get the signatures wherever we can. We call a meeting generally, and get them there.

184. How much does it cost you to get the signatures for your agreements?—It does not cost a great deal to get the signatures, but in most cases we have made advances which were from out of the royalty.

185. As a rule you pay the money before they sign?—No; after they sign.

186. Will you say that you made advances before they were entitled to receive anything?—Yes; before the timber is cut.

187. Do they demand these advances, or do you hold them out as an inducement?—They demand them.

188. You have to give them something before the Natives will sign?—No; they are perfectly satisfied. Of course, there are many expenses outside of that.

189. You have got the signatures of the owners of the block of land you are working?—Yes.

190. You only started last month: you started getting signatures in August last?—About the 15th August.

191. And before your mill started last week you had to advance money?—Yes.

192. You could not say roughly what it cost you per signature in expenses, counting your own expense?—I have no idea.

193. You have to get an interpreter, a Justice of the Peace, and probably an adult witness?—No; only a Justice of the Peace and an interpreter.

194. What system do they work on? For instance, how do you assure yourself that the money is paid to each owner? How do you pay them?—I agree upon the advance I will give to the Natives, and they form themselves into a committee. The committee is called together, and the money is divided by it.

195. You trust the committee to disburse the money amongst the owners?—Yes.

196. And your responsibility ceases when you hand over the money to the committee?—Yes.

197. And from what you can understand, the committee works satisfactorily?—They have to a point, but for the future it has been decided that I am to keep a separate account for each individual and to pay him his royalty.

198. Then, instead of paying over the money to the committee, you will keep it in hand?—Yes.

199. But the committee was practically the body that worked up the interest in your agreement to its culmination: the committee formed themselves into a body?—After they had signed the deed the Natives formed themselves into a committee, and then the advance is made and paid.

200. Previous to this did you go to each individual Native, and afterwards did they all meet?—We had a number of meetings, and thoroughly threshed the matter out.

201. Did they resolve themselves into a committee which undertook to complete the contract?—No; the contract was completed, but there was so much money to be paid as an advance. It was notified that the money would be paid on a certain day, and that they were to meet and to make their own division of it. The money was paid in an open room.

202. You said something about the Government purchases of Native land: have you any personal knowledge of lands purchased by the Government?—No; only hearsay knowledge from the Natives.

203. Perhaps you have heard that the land along the line of railway at Mamaku was purchased years ago in connection with the building of the railway?—I have heard there were purchases that were made.

204. And lands for which the Natives were paid compensation?—I have heard that.

205. That would be a few years ago?—It would be.

206. You have no personal knowledge of any land purchased there?—No.

207. Talking about the purchase of land with standing bush on it: according to your own showing, if the bush were put up at auction, say, last August, it would not have fetched the same royalty that you are giving now?—No.

208. And, say, five or ten years ago, when the land was purchased by the Crown—fifteen years ago in some instances—was there any activity in the timber-market at all?—Not the activity in that class of timber. It was worked very little.

209. Was there any effort by private individuals to establish sawmills?—The Mamaku mills were established.

210. But when the Government made these purchases?—I have no knowledge when the Government purchases were made.

211. In fact, the price of timber has gone up with quite a jump within the last twelve months?—It has advanced within the last eighteen months.

212. A good deal of attention is given now to the acquisition of bush lands for milling purposes?—I suppose there is.

213. Well, what impelled you to go in for it?—I had nothing in view of any extra thing in timber.

214. Why did you not go in for it years ago?—I had not gone into the district; but when I got into the district I conceived the idea of going into the timber business.

215. But you had been in the timber business before?—Yes.

216. And no one in the district had attempted to acquire the timber before you went?—No.

217. There had been no talk about it?—No; no one wanted it.

218. *Mr. Remington.*] How long have you known that district?—For the last thirty-five years. I have only been living in the district for two and a half or three years, but I have been living within a few miles of it and have been continually up and down the places.

219. *The Chairman.*] You said that you had bought timber at 4d. per 100 ft. from the Europeans?—That is so.

220. From Crown tenants?—I think so. I know the one offering now is a Crown tenant, and I think the one I bought from is a Crown tenant.

221. If these Europeans had got this land from the Crown, and paid 6d. a hundred, how was it possible that they could sell it to you at 4d.?—They had not paid 6d. for it. They bought the land and the timber at 12s. 6d. an acre. It was opened under the three tenures of the Act.

222. Did you buy from Europeans who had taken up the land under the right of purchase?—I do not know what his tenure is. The other man I referred to has the right of purchase, and he offers it to me at 4d.

223. Can you do that without the permission of the Commissioner?—Yes; and the Crown collected the royalty as rent. Thousands of acres have been sold for 4d.

224. Then, they are not acting according to the *Gazette* notice?—The public outside the Government are not. The Government have been selling land regardless of the timber. Any person could take up land under the three tenures of the Act, and could do what they like with it, but now the timber has to be considered.

225. Has any alteration been made in the Act?—No; but regulations have been issued.

226. Do you think the regulations can supersede the Act?—Well, they are acting on the regulations.

227. In this case, where you bought it from the European, you did not engage the European to do the work for you as you did the Natives?—No.

228. Then, he does not receive the benefit of the 2d. in the one case and the 1s. in the other?—That is so.

229. So that the Native really gets 1s. 2d. more for his timber than the European?—Yes; but the Natives provide the labour.

230. *Hon. Mr. Carroll.*] With regard to the consumption of timber at Rotorua, Rotorua has been developed very much lately?—Yes.

231. And the necessity for timber is also growing with it?—Yes.

232. And your sawmill is within how many miles?—Fifteen miles; we are three miles back from the line, but we have a tram-line right along the road.

233. *Mr. Fraser.*] About what percentage do you send to Rotorua as compared with Auckland?—Very little.

234. *Mr. Herries.*] Mr. Carroll asked you whether there was not some new activity in the sawmilling line at Rotorua?—There has been nothing new.

235. There have been three mills at work there for the last ten years?—Yes, and the only additional one is our own.

236. The other mills are buying timber from the Crown tenants?—I believe the Natiri Mill is on Native land.

237. *Mr. Harding.*] What are you paying for the railway rate? How do you obtain the concession down to 3s. to Auckland?—That is the recognised price.

238. Did you deputationise the Railway Department?—I did not.

239. *Hon. Mr. Carroll.*] You do not know the terms of the earlier milling contracts?—No.

240. *Mr. Hone Heke.*] What is the freight from your bush to Rotorua?—One shilling. We are in the bush three miles before we reach the railway-line.

241. Have you heard any instance where the Government have purchased land at 3s., and afterwards found out it was very valuable and handed the land back to the Natives?—No, I have never heard of such a case.

242. They have retained that benefit for themselves?—Yes.

243. Do you know that the rule is now, according to the Crown Lands Board, in the disposal of timber on Crown lands, that the conditions are very stringent in regard to the quantity to be cut and the payments to be made; that if you negotiate with the Crown for a timber-area on their own lands that their conditions are very stringent, and that they made it conditional that you must cut a certain number of feet every year?—They are restrictions that refer to kauri timber.

244. In regard to ordinary timber—such as rimu, matai, and totara—the Crown Lands Board cannot sell any of their timber below the rates that are set out in the regulations issued by the Minister?—That is so. I am dealing with rimu, and 6d. is the price that the Government sells at everywhere. There is no restriction with regard to rimu. In the part of the North Island referred to rimu has had a very great struggle to come in at all as against kauri. It is different in the South Island.

245. In regard to the 1s. you allow the Natives for felling and cutting the timber, in the event of the Natives failing to satisfy you you can enter and cut it yourself?—Yes; in that event the 1s. would cease to be paid. That 1s. is paid for labour, practically.

WEDNESDAY, 4TH NOVEMBER, 1903.

FRANK THOMAS MOORE, of Johnsonville, examined. (No. 9.)

1. *The Chairman.*] You are aware that the Native Affairs Committee have been taking evidence in connection with clause 31 of the Maori Land Laws Amendment Bill, as regards Europeans dealing with Natives in reference to timber?—Yes.

2. Have you had any transactions with the Natives in regard to their timber?—Yes.

3. Have you any agreements with them?—I have.

4. Can you produce them?—Yes.

5. I may tell you that the Committee have agreed not to make public the full contents of these agreements, but previous witnesses have given all the information in connection with them that the Committee desired; and if you keep the agreements and read out a sort of *précis* of them the Committee can ask you questions regarding the terms under which you have entered into the agreements with the Natives for timber rights?—Yes. The agreements are for a block of land in the Puketapu Block. [Witness explained provisions of agreements.]

6. *Hon. Mr. Carroll.*] What is the area of the Puketapu Block?—Six thousand acres.

7. Does that represent the timber part of it—six thousand acres of timber land?—Yes.

8. Where is Puketapu situate?—Near Taumarunui—about five miles from it.

9. In the Rohe Potae area—the King-country?—Yes, in the King-country.

10. *Mr. Jennings.*] Is it between Taumarunui and Piriaka?—No; it is up the river from Taumarunui.

11. *Hon. Mr. Carroll.*] Have you seen the land yourself?—Yes.

12. You have been over it?—Yes.

13. What does the timber consist of?—Totara, matai, rimu, and kahikatea.

14. What are the proportions—is it chiefly totara, chiefly matai, chiefly rimu, or what?—Chiefly rimu.

15. Is there a fair percentage of totara in the bush?—Yes.

16. Is it good totara?—Yes, fairly good. There are some faulty trees, as is usual in totara forests.

17. How many feet would it cut per acre?—Taking the whole six thousand acres, there is a lot of useless bush—it is not all milling-bush. I dare say two-thirds of the area contains fair to good milling-bush which might average 100,000 ft. to the acre.

18. *The Chairman.*] That is the average in the whole timber-area?—No; two-thirds of the block would average that.

19. *Hon. Mr. Carroll.*] How far away is it from the Main Trunk Railway line?—About six miles, I estimate it.

20. It would be necessary to have a tram-line, of course, running from the block to carry the timber to the Main Trunk Railway line?—Yes.

21. Would that be fairly easy of construction, from the nature of the country?—The nature of the country in there is difficult. It would be fairly easy for that country, but it would not be an easy matter—it would be costly.

22. Who have you contracted with—presumably with the owners of the Puketapu Block?—Yes.

23. Are you satisfied yourself that you have dealt with all the owners?—Yes; we have obtained the signature of every Native who is an owner in the Puketapu Block.

24. You have seen the order of the Native Land Court?—Yes.

25. And you have gone through the names?—Yes.

26. You have got all the signatures of the Natives?—Yes. The reputed successors were taken.

27. To represent the deceased's interests?—Yes, that is so.

28. And, in some cases, trustees for minors?—Yes.

29. They may, or may not be, the successors and trustees when the legal award is made; but, however, they are the reputed ones?—Yes.

30. In obtaining signatures for your agreements, whom did you employ?—Mr. John Grace, a licensed interpreter, of Tokaanu.

31. Do you represent yourself, or a company?—I represent a company.

32. What terms did you make with those you employed to secure the signatures to your agreement?—I paid them £1 10s. per signature.

33. And, on completion, anything in the way of a bonus or lump sum?—Not to the interpreter. That was his full payment and travelling-expenses. There was no bonus beyond that.

34. Did you make any special arrangements with the leading chiefs of the owners? Did you enter into any special agreement with any of the chiefs owning the land?—We entered into an agreement with Te Heuheu. We negotiated with him for the whole thing. He was the only man, as a matter of fact, we negotiated with. The Natives intrusted him to deal with their land, and we negotiated with him.

35. Did you make any agreement with him, so far as he was personally concerned, as to the remuneration he was to get when the agreement was completed—for his work or whatever influence he might have with his people?—We did.

36. Well, state just briefly what the nature of it was?—We undertook to pay him—to cover the cost of travelling the country with the interpreter and obtaining the deed for us—£500, and upon his doing this work for us another £1,000 in the course of two years, providing everything was satisfactory. This is a personal agreement, and quite outside the other agreement.

37. What is the nature of your contract? What do you contract to do, and what do the Natives contract to do?—We contract to pay them 2s. 3d. per 100 superficial feet for totara; on matai, 10d.; on rimu, 8d.; and on kahikatea, 6d.

38. Log-measurement or sawn measurement?—Sawn measurement.

39. *Mr. Mander.*] Without any labour?—Yes, without any labour; and we also contract to allow the Natives to retain a one-third interest in the company.

40. *Hon. Mr. Carroll.*] That is to say, you take them into partnership?—Yes. They take up one-third of the shares in the company in order that they may, in addition to the royalties, participate in any profits the company may make.

41. *Mr. Hone Heke.*] Are those paid-up shares? No. They will contribute by devoting 20 per cent. of their royalties towards the payment of these shares until such shares are paid up. In order to work this bush we obtained from them two documents, one in which they propose to lease to the Native Council 640 acres, which the Council in turn will be asked to lease to the company, so that the company might have land for their own mills, plant, and so on; and under this contract we then pay the prices agreed upon for the timber growing on the remaining area of the block. I may say that the Natives greatly appreciate the terms we have made with them, which they declare are the best they have yet obtained. These royalties are, it must be admitted, high for a block of country in the interior of the island, and, in addition to the royalties, they become shareholders and participate with the company in any future value the timber may possess.

42. *Hon. Mr. Carroll.*] Before we get to the commenting stage, we just want to get the actual terms of the contract with the parties?—We covenant to pay the prices I have already given. We have the cutting-right deed, and an agreement in the same terms for dealing with the bush on the 640 acres in the block which it is proposed to place in the hands of the Maori Council.

43. So that the Maori Council can give to the company a valid lease of the land on which the sawmill and plant are to be erected?—Yes.

44. *Mr. Hone Heke.*] It is only for the purpose of obtaining a legal lease of the land?—Yes.

45. *Hon. Mr. Carroll.*] With regard to the second agreement for the 640 acres, the same schedule accords with the other agreement?—Yes.

46. You said that by a special contract with Te Heuheu you agree to give him £500, and on the completion of this agreement a further sum of £1,000?—Yes; two years after.

47. Have you contracted in similar or lesser degree with any other Native chief on the same land?—No.

48. This would be, of course, irrespective of what might be his share in royalties as an owner?—Yes.

49. He is an owner, is he not?—Yes; and is also a director of the company.

50. When do you think you will be able to start timber-sawing on this block?—We could start within six months. We could start at once to lay down the tramways and erect the mills.

51. When do you propose to do it?—So soon as we get a valid title from the Council for the 640 acres, and an additional area, such as set out in that second agreement, sufficient to warrant the expenditure of the capital necessary.

52. You do not expect to be able to take timber out of that bush until you have constructed a tramway to the railway?—That is so.

53. As a man of business and looking ahead, when do you think the railway will reach that point?—It has reached it now from Auckland; it has reached Taumarunui.

54. How far is the place from Taumarunui?—Six miles.

55. Then, all you have to do now is to make your tramway a distance of six miles to the railway, establish your plant, and start to work?—That is so.

56. Is your block adjoining that on which Mr. Ellis is cutting?—Yes. He is not actually cutting, but he expects to commence presently.

57. Will the same tramway that may be used by Mr. Ellis be used by you as well?—Yes; we propose to join.

58. Join together in making a tramway?—Yes.

59. When did you form your company for the purpose of securing these timber rights?—We registered the company three months ago; but, of course, the negotiations with the Chief Te Heuheu began over a year ago, or about a year ago.

60. After you start operations there do you undertake to pay the Natives their royalty as you cut the timber?—Yes, monthly.

61. Then, how do you make your deductions from what they have to receive to pay off their liabilities as shareholders?—We deduct 20 per cent. of the royalty.

62. Then, you pay them the royalty less 20 per cent. which you fund towards the payment of their shares in the company?—The basis upon which this company was formed was devised by themselves. That is why they are interested. From our point of view we would rather have been by ourselves, but we had to accede to their request.

63. The total area then involved in your agreements with the Native owners is—(1) The 6,000 acres in the Puketapu Block; and (2) the 640 acres?—Yes, cut out of the 6,000 acres.

64. That is, the land involved in your two agreements?—Yes.

65. *Mr. Jennings.*] Have you a mill at present?—No; our documents are only just completed and stamped, and until the land is vested in the Council and leased to us we cannot start.

66. Are you engaged in any other milling operations?—No.

67. Is the mill at Piriaka working?—I do not know.

68. Will you not bring this timber down to the bridge at Taumarunui?—Yes; we would ship it on the railway there.

69. That would to a very great extent do away with the tram-line?—No. It is six miles from the Taumarunui railway-bridge to the bush; and we cannot bring it down the river, because the bush is not growing on the Wanganui River, but on a tributary of it.

70. Is it in the direction of Te Puke?—Yes.

71. You have a preference clause in your agreement for the employment of the Natives?—Yes.

72. Would that act detrimentally to the white labour?—No. The manager of the mill is to use his discretion, and will only employ such Natives as will give him a return equivalent to that of white labour.

73. What is the usual custom with regard to Mr. Ellis's bush? Do the Natives usually do the work?—No; I do not think they do. Even though preference is given to them, very many of them do not take it up.

74. *Mr. Hone Heke.*] How many shares in the company do you propose to let the Natives have?—Ten thousand.

75. Is there any condition in the agreement as to the quantity of timber to be cut per year?—No; the short term for which we lease the block—twenty-one years—necessitates fairly rapid cutting.

76. Supposing the company fails, would the Natives be under any liabilities?—No. There is a clause in the agreements to the effect that if anything unsatisfactory happens within two years—such as any failure on the part of the company to work the bush—the whole contract ceases.

77. Will the Maoris be implicated in the liabilities if the company fails within that period?—The Maoris remain shareholders.

78. You have awarded them 10,000 shares?—Yes.

79. And all the liabilities which a shareholder naturally suffers according to law will fall on them?—Yes; they are ordinary shareholders, and in that case, I take it, they are responsible.

80. What is the cause for you and the Natives making it a condition that 640 acres of this 6,000 acres are to be transferred to the Native Council, and then by the Council to the company?—Because we supposed that 640 acres was the largest area that the Council would grant to one individual or one firm.

81. It was for the purpose of securing a valid title to a portion of the land upon which to erect your mills, and so on?—Yes. I may say that this clause 31 of the Bill, which makes it a penal offence to deal with the land outside that 640 acres, is a clause calculated to crush us and render the whole undertaking impossible, because 640 acres is really too small an area to tackle, with the capital required.

82. What about the penal clause you refer to?—Under clause 31, if we felled a tree outside the area leased to us by the Council we would be fined £50 and the value of the tree.

83. The 640 acres are outside of the 6,000 acres?—Yes.

84. And does that penal clause apply to the 6,000 acres?—Yes. The clause in the proposed Bill will prevent us touching a single tree outside the 640-acre allotment.

85. Leave aside the clause in the Bill: have you made any condition in regard to the removal by your company of any milling-timber other than that you have already recited—totara, matai, rimu, and kahikatea?—No. As yet we are not aware that there is any timber of any value for milling purposes except these four kinds.

86. Should I be right in saying that if you did cut other timber on the block which has now or may hereafter, during the progress of your works, become a marketable timber, you will not be lawfully doing so, and if you do you may be liable to the Natives for penalties?—Yes. In negotiating it is understood that should any such trees be found we should come to terms with the Natives in reference to them.

87. You have a clause of that nature?—We had it, but it was dropped out.

88. Have you had a large experience of timber?—A New-Zealander's experience—being born in the bush, and having a general experience.

89. You said that two-thirds of these 6,000 acres would average per acre 100,000 ft. of timber?—Yes.

90. Would that be in log-measurement or sawn measurement?—It is an awkward thing to estimate correctly.

91. *Mr. Mander.*] You said before that it was sawn measurement?—Yes; but exact measurement might be less than my estimate.

92. *Mr. Hone Heke.*] Did you send an expert bushman to make an estimate of that block?—No; we took an expert with us to assure us that there was sufficient timber in the block to warrant us in taking it up. It is immaterial whether there are 50,000 ft. or 100,000 ft. per acre, as we pay for it by royalty.

93. You have ascertained what the railage is from there to Auckland?—Yes.

94. 3s. 11d.?—Yes, less something; 3s. 11d. gross.

95. The royalty for the timber growing on the 640 acres you have already bought in your No. 1 agreement under the conditions you set forth?—We have already contracted to pay the prices set out for the timber.

96. And you say that your company will start as soon as it receives the lease of the 640 acres from the Council?—Yes; providing we are also allowed to mill the bush upon the additional area. The company will not start operations at all if restricted to the timber on the 640 acres.

97. Of course, we are taking it for granted that your contract on the 6,000 acres is good?—Yes.

98. And as soon as you get that lease from the Council you intend to start?—Yes, immediately.

99. Do you know whether the Natives have started to transfer that 6,000 acres?—Yes; a document is already signed, and we were ready to submit it to the Council, but our legal advisers told us to delay the matter a little while.

100. Has this 640 acres been cut off by survey?—No.

101. You have allocated the 640 acres?—Yes, we have allocated it from the natural boundaries.

102. *Mr. Field.*] The benefits the Natives will derive will be threefold—that is, the royalty they will receive, the option of taking up shares by which they will receive dividends, and the employment they will get from the company?—Yes.

103. You intend to give them the full benefit of that employment clause?—Yes, we are bound to do so by our terms.

104. Who prepared these deeds?—Messrs. Travers, Russell, and Campbell.

105. Were they acting for all the parties?—Yes.

106. We may assume that they took care of the Natives' interests?—They were really acting for the Natives in the first place, and we agreed to allow them to act for us once the terms and conditions were fixed.

107. They were originally the Natives' solicitors?—Yes.

108. And afterwards you agreed that they should act for you also?—Yes; because we regarded the company as almost a Maori company.

109. You are partly Maori yourself?—Yes, a quarter Maori, and it is owing to that fact that I became associated with the Natives—owing to my Native kinship.

110. A question was asked you by Mr. Carroll as to the remuneration or bonus to be paid to Te Heuheu?—Yes.

111. Will you tell the Committee what amount of trouble he was put to in order to earn this money?—Yes. He is put to the trouble of spending something like twelve months in negotiating and travelling the country discussing the matter with his fellow-owners; also, he undertakes to assist us to procure tramway rights, and generally to help and advise the company in order to make a success of the whole undertaking.

112. Does he pay his own travelling-expenses out of this money?—Yes.

113. There would not be a very large sum in profit to him?—Not very large, because he has to attend to the drawing of these documents and the signing of them round the country, which is a tedious and costly matter.

114. At all events, you are of opinion that he fully earns all he is going to get?—Yes.

115. Coming to the question of royalty, I notice that under your contracts, other than the royalties mentioned by you, there is mentioned heart of totara 4s. 6d.?—Yes, hewn or squared.

116. That is per 100 ft. superficial?—Yes.

117. On fencing-posts, 7s. per 100?—Yes.

118. On house-blocks, $\frac{1}{2}$ d. per lineal foot?—Yes.

119. On straining-posts, 6d. each?—Yes.

120. And you consider those royalties to be very advantageous to the Natives?—Yes, very.

121. Assuming your estimate of the quantity of timber on the heavily covered portion of the land at 100,000 ft. per acre to be correct, do you think it would be fair to say the average royalty would be 1s. per 100 ft.?—Yes, I do.

122. And the Natives would be receiving royalty there for £50 an acre?—Yes; that is, on the best part of the block, say, 4,000 acres.

123. That is £200,000 that they would receive in royalties?—Yes, if my estimate is correct.

124. Are you aware whether the Government have bought any timber land in the vicinity of your block?—Yes.

125. Have they bought any land covered with as good timber as yours?—I do not think so.

126. Have they bought heavily timbered land?—Yes; but the country that I saw purchased by the Government contains a lot of waste country.

127. Have you in your mind any particular block which was bought by the Government?—Yes; on the south bank of the Wanganui River, opposite our own block.

128. How big is that block?—I think it is about 16,000 or 17,000 acres.

129. How much of it is timber-covered?—A fourth; probably less.

130. What did the Government pay for that land?—I am not quite sure, but the Native owners told me 2s. 6d. Of course, it is only hearsay.

131. That was for the land and the timber?—Yes, the land and all.

132. You say about a fourth or so would be good milling-timber?—No, I would not say good milling-timber. It would be just good enough to mill.

133. Apparently the price paid was about £2,000 for the block?—Yes.

134. Do you think that is a fairly good venture?—Yes, of course; because they would have the land as well as the timber.

135. *Hon. Mr. Carroll.*] When did they buy this land?—I do not know. I was simply told by the Natives.

136. *Mr. Field.*] It was a recent purchase—it would not be ten or twenty years ago?—No; it would be subsequent to the Waimarino purchase.

137. *Hon. Mr. Carroll.*] What is the name of the block?—I do not know.

138. *Mr. Field.*] Are there any provisions in your agreement stating that the Natives have the right to use the land for residential purposes?—Yes.

139. You do not intend to turn them off neck and crop?—No.

140. *Hon. Mr. Carroll.*] Is there a grant for this land?—Only for the 640 acres.

141. *Mr. Field.*] Of course, you have no title for the land?—No; only the agreement to take timber.

142. You say you have a clause in your agreement under which you permit the Natives the use and occupation of the land?—Yes; the agreement speaks for itself.

143. If you had not that clause in the agreement, do you think you could turn them off at any time?—No.

144. *Mr. Mander.*] Is the timber fairly easily got out of this property?—Fairly easy.

145. What do you reckon it will cost you to put it to the mill from the bush—to crosscut and deliver it?—Not more than 4d. to 6d. per 100 ft. to begin with.

146. But the average of the whole bush?—About 9d.

147. And the cost of delivery to the railway-station?—Would be a very few pence per 100ft.—perhaps 3d.

148. It would cost 1s. altogether?—Yes.

149. What is your estimated loss between log and sawn timber?—I am not in a position to answer that.

150. But if you have had a long experience in milling you will have an idea of what the usual loss is?—No; I have not had much experience in milling.

151. *Mr. Fraser.*] I want to be perfectly clear on the evidence with regard to the 640 acres, which you go to the Council for: I presume the position is this—that you could not acquire by lease anywhere in that locality land where you could put up your mill?—That is so.

152. The only means by which you could secure a title to the land would be by going to the Council?—Yes.

153. And you propose to do that by taking a lease for twenty-one years over the 640 acres, with all the rights of a lessor upon it?—Yes.

154. From that centre you propose to cut the timber all round?—Yes.

155. Have the negotiations between you and the Natives so far been of an amicable nature?—Yes, very amicable.

156. And, so far as you know, is there generally a consensus of opinion among the Natives that it would be beneficial to themselves?—Yes; they are quite delighted, I may say, with what we propose to do. We undertake to find the capital and brains, and open the bush, and they reap more than a fair share of the profits, as many people admit.

157. What do you estimate the expense will be to place the timber on the railway from your proposed mill? What expenditure will you have to incur first?—Quite £5,000 will have to be expended in the construction of the mill and tramway.

158. *Mr. Mander.*] Is it a wooden tramway?—Yes. If iron rails were used it would be very much greater.

159. *Mr. Herries.*] About this company of yours: is it a *bonâ fide* company to work the timber?—Yes.

160. Is it registered yet?—Yes.

161. Registered in Wellington?—Yes.

162. Are the directors appointed?—Yes.

163. Who are they?—John Orr, of Johnsonville; William Moore, of Johnsonville; Isabella Moore, of Johnsonville; Te Heuheu Tukino, Native chief, representing the Natives; and myself.

164. Those are only the provisional directors?—Yes.

165. Is the prospectus issued yet to the world in general?—No, not yet.

166. When do you propose to issue the prospectus?—When I am sure of the title and am safe with regard to what I may ask people to take shares in.

167. You are waiting until this legislation happens?—Yes.

168. And you are waiting until you get the 640 acres from the Council?—Yes.

169. You are not getting the timber land in order to sell it to any one else?—No.

170. It is a *bonâ fide* company which is to be floated?—Yes.

171. With what capital?—£30,000.

172. One-pound shares?—Yes.

173. Of which one-third may be taken up by the Natives?—Yes; one-third of the shares have been applied for by the Natives.

174. It is not compulsory on the part of the Natives to take up shares?—No; but they have applied for the whole number. We wished to exclude them, because it would be more favourable to us from the European point of view, but their representative insisted upon them being included to make it what he called a Maori company.

175. And supposing the legislation does not pass, and you get your title to this 640 acres, are you sanguine about floating the company?—Yes.

176. Have you received offers to take up sufficient shares to make it all right?—Yes; my family and Mr. Orr can take up sufficient shares to float the company.

177. And everything is awaiting the decision of the Legislature?—Yes.

178. You have read this clause 31?—Yes.

179. Have you any objection to taking your deeds before the Native Land Council for the whole block—not the 640 acres, but the 6,000 acres?—No; that is what I would like to do. I would like to take the whole block before the Council if the Council would ratify the transaction.

180. But the clause says they can ratify or modify?—Yes. “Modify” may mean anything.

181. You consider that it is an unfair thing to ask you to do that?—Yes.

182. Are the Natives willing to put the whole block into the hands of the Council?—Yes.

183. They have no objection?—They would prefer otherwise, but they are willing to do it.

184. They prefer to deal with you direct rather than through the intermediary of the Council?—Yes, because they think their royalties will not come out so well through the Council.

185. But, still, if clause 31 were passed there would be no difficulty on the part of the Natives to put their land through the Council?—The difficulty would be this: the Council could not grant us more than 640 acres.

186. Do you anticipate that?—Yes.

187. On good grounds?—I am legally advised that the Council is governed by the Land for Settlements Act, and cannot grant more than 640 acres to any one.

188. You have been advised to that effect?—Yes.

189. And it would be impossible, if that advice is correct, to give a lease for more than 640 acres?—Yes, if the advice is good.

190. *Mr. Mander.*] And you would not be justified in building a mill for that area?—No. We do not know who the Maori Council are.

191. What district are you in?—The Maniapoto. Why I say that is because the President of the Council is an officer of the State—a Land Purchase officer who might be opposed to any one getting a footing.

192. You have no confidence in the Maori Council yourself?—No.

193. *Hon. Mr. Carroll.*] And for that reason you are apprehensive?—Yes.

194. *Mr. Herries.*] If any Native were dissatisfied he could sue you in the Supreme Court? If he refused to sign he would have his rights against you in any Court of law?—Yes; but not a single one has refused.

195. Then, if you do not carry out your contract they have a right in law to sue you?—No; we should simply forfeit all we have spent in going as far as we have gone.

196. They could not recover damages from you for not carrying out your contract?—No; but we must within two years begin operations.

197. Supposing you are in the middle of your operations and you suddenly stop, can they get damages from you?—There is no provision to that effect. Their own interest in the thing is so large that it is practically a controlling interest.

198. You must make a start in your operations within two years?—Yes.

199. Supposing the Maoris refused to carry out their contract, have you any remedy against them?—No, I do not think we should have; but the terms we are offering the Maoris are such that we feel perfectly safe in their hands. They receive a substantial royalty, and hold one-third interest in the company; and there is another thing, I do not think it will be necessary to call up more than 20,000 shares, and consequently they will then be half owners in the company themselves. I know from the nature of the bush that the royalties will be very profitable, and they will also participate in the future value of the timber. The Maoris have everything to gain and nothing to lose by this contract.

200. If any one loses it will be the white man?—Yes.

201. What arrangements have you made about felling and cutting the timber?—We have not made any special arrangements, but we erect the mill and start proceedings.

202. Do the company fell the timber, or the Maoris?—In the first clause of the agreement the Maoris make the company agents in the matter, which, of course, this new Bill proposes to prohibit.

203. Then, the Maoris make you the contractors for felling it, and you employ the Maoris again?—Yes.

204. What price do you propose to give them—day wages or contract?—We propose to pay day wages.

205. *Hon. Mr. Carroll.*] That is not the subject of agreement yet?—No.

206. *Mr. Mander.*] You are at liberty to deal with whom you like to fell and deliver the timber to the mill?—No; we are compelled to give preference to the Native owners in employment.

207. Whose idea was this partnership?—The idea of the Natives.

208. They came voluntarily forward and asked for it?—Yes; they insisted upon being allowed to acquire this interest in the company.

209. How did you come into it? Did the Maoris approach you, or were you looking for timber in the district?—My mother is a half-caste, and cousins of ours knew that Te Heuheu was desirous of forming a company on these lines, and brought the matter before me and introduced me to him. That was the point from which we started.

210. What I want to get at is whether the Maoris approached the white man?—Yes.

211. Then, it is not the white man who wants to get anything from the Maori?—No; it is the Maori who wanted to get a company formed to share this thing with him. That is the true position.

212. *Hon. Mr. Carroll.*] You said, in answer to Mr. Herries—or, I drew it as an inference—that you did not start operations because you were waiting the decision of the Legislature?—Yes.

213. What decision of the Legislature?—To see whether that clause 31 will render it impossible for us to cut the timber.

214. Had that clause not been suggested at all this session would your operations be now going on?—I think so. We should have been further advanced in the floating of our company. Our next step would be to acquire our tramway rights.

215. I understand you to say that your real objection to the clause is the possibility that the Council would have power under that clause to modify or alter any agreement that came before it?—Yes.

216. Otherwise you would be willing to submit your agreements to the Council for confirmation?—Yes.

217. At the same time, I think you said the terms are so good that you do not fear anything at all from the Natives?—That is so.

218. But you do fear some modification in the terms from the Council?—No; in the area, not in the terms.

219. You would be perfectly confident, supposing that clause passed—seeing that you would have to submit your contract, if of legal effect, to the Council—to submit it for confirmation?—Yes.

220. You would have no fear whatever that the Council would modify the terms?—That is so.

221. Your fear is in regard to the limitation of the area?—Yes.

222. And you have been advised that the Council could not possibly grant you a lease of a larger area than 640 acres?—Yes.

223. Were that restriction removed you would be perfectly satisfied?—Yes, that is so.

224. You said that if the Natives chose to revoke their contract or stopped you carrying it out you would have no remedy against them?—No.

225. If they went on the land and prevented you removing the timber, could you compel them to carry out the agreement?—No.

226. You would prefer this contract to be taken on its merits, but you want that legalised and validated?—Yes.

227. If there was a clause to that effect you would be satisfied, but failing any such clause as will give you an extension of your area you would prefer that there should be no legislation on the subject?—Yes.

228. *Mr. Herries.*] You told me you would have no remedy if the Natives did not carry out their contract?—Yes.

229. Why have you no remedy? Is it not because you have no contract with the land?—Yes; in law, I understand, I should have no remedy.

230. Because the Maoris are worth nothing?—Yes. The cutting-rights are in law useless; only a lease of the land is useful.

231. The only reason why you have no remedy is because you cannot recover anything? You could sue them, and probably get damages awarded, but there would be nothing to get because their land is their only asset?—Yes, that is so.

232. You are quite satisfied that you have got a legal and valid contract with regard to the timber?—Yes.

233. And you have been advised that the Maoris have a perfect right to sell their timber?—Yes.

234. You would not have entered into the contract unless you were sure of that?—No; legal advice has declared the contract to be perfectly valid, but the proposed legislation would render it invalid.

235. You are opposed to any legislation that would render your valid contract invalid?—Yes.

236. *Hon. Mr. Carroll.*] Supposing the Natives refused to carry out their part of the contract, have you been advised as to what steps you could take against them? Could you take action for breach of contract?—Of course.

237. Have you been advised that you could successfully take action?—The question has never arisen.

238. We want to know what your advice has been on that particular point, supposing the Natives failed to carry out their contract?—I believe that is a question of law, and if we went to law we should not know what would be the result. I can rely on the liberal and just way in which they are treated to prevent any breach of contract. They are getting from this company terms which have never hitherto been given.

239. *Mr. Hone Heke.*] The company is appointed attorneys for the Natives?—Yes.

240. In that capacity do they take from the royalties any of the moneys for the felling and cutting?—No.

241. The royalties you have already recited are clear moneys to be paid the Natives without any deduction for cutting and felling?—That is so.

242. Or for the laying-down of the tram-line?—No money is to be deducted from the Natives for anything excepting the 20 per cent. to pay for their shares.

243. If the company fails in their work within two years they are not called upon by your agreement to pay for the destruction of any of the timber that the company may have cut during that time?—Supposing the company fails to carry out their undertaking within two years, then everything is void. The royalties are payable monthly, so that not more than a month's royalties will ever be owing to the Natives.

244. Are you joined together with the syndicate, in regard to this timber, called the Donahoo Syndicate?—No, we are not joined; we are a separate company.

245. It is not appertaining to the same block?—We have a part of the Puketapu Block, and they have another part.

246. Have the two points been defined by survey?—I understand the Donahoo part is defined by actual survey, but ours is defined by natural boundaries.

247. You said that you will construct your tramway in conjunction with Mr. Ellis's company?—It is proposed to do so.

248. Have you entered already into an agreement on the subject?—No; it has been discussed only.

249. *The Chairman.*] Do you consider that land first-class land, as defined by the Government—that is, the land itself, apart from the timber?—No; I should consider it very second class. I should consider it poor land—pumice.

250. What value would you put on the land, apart from the timber?—A very few shillings per acre.

251. Two shillings?—Yes, probably. It is questionable whether it will carry grass.

252. Have you considered the value of the timber per acre you will cut from the land? Can you give us any idea?—On 4,000 acres it would be about £50 per acre. I may be over the mark with regard to the number of acres—say, 3,000.

253. You think it would amount to £50 an acre?—Yes; the best bush in the Puketapu Block would yield £50 an acre.

254. Do you consider, then, that the proposed legislation—especially with regard to clause 31—would be inimical to your interest?—I do.

255. And if this clause became law you would not be prepared to carry out your contract with the Natives?—No, I dare not. I would be liable to a penalty of £50 if I felled a tree on any of the land other than the 640 acres, and such an area is too small to work.

256. Do you think it is in the best interests that you should be allowed to carry out this agreement?—Yes, I do.

257. If the Council is satisfied with your agreement they will ratify it, will they not?—Yes.

258. *Mr. Jennings.*] Is that block you are interested in part of the Waimarino Block?—No; it is part of the Puketapu Block.

259. *Mr. Field.*] It is just north of the Waimarino Block?—Yes.

THURSDAY, 5TH NOVEMBER, 1903.

A. W. HOGG, M.H.R., examined. (No. 10.)

1. *The Chairman.*] You received a letter from this Committee asking you to attend to-day to give evidence in reference to a letter read by the Premier in the House and purporting to come from you?—Yes. I received the letter from a resident of the district, and believing the matter to be of importance I submitted it—accompanied by a short note of my own—to the Premier. I may say that I have received previous letters from the writer, whom I personally know as a man of good reputation, who has taken for years past an interest in public affairs, and who, I believe, is very much respected in the locality. I would have no hesitation in giving you his name, except for the fact that he has not given me any authority to do so, and I have some reluctance in giving the name of a private correspondent. I may say this, however, that from what I know of the writer I have every confidence in his statements being absolutely correct.

2. *Mr. Herries.*] Have you got the letter?—No; I handed it to the Premier, and so far as I know it is now in his possession. It was correctly read to the House.

3. *The Chairman.*] There were some members of the Committee who were not present in the House when the letter was read. Perhaps you could give the Committee the purport of the letter?—I think the letter was published in the Wellington papers at the time, and I presume it appears in *Hansard*; but I can give you the purport of it if you wish. The writer stated that there had been some parties representing a Palmerston syndicate at Raetihi buying the rights over the Native bush in a block of land there from the Native owners, and that these operations had been going on for a considerable time. The writer thought it was not in the interests of the district that all that fine timber should find its way into the hands of one syndicate. That is about the purport of the letter.

4. *Mr. Willis.*] Were there any signatures to the letters when they were put in the papers?—Of course there is a signature attached to this letter. There is no signature which has transpired, but the Premier has the letter and the signature.

5. *The Chairman.*] We cannot take any notice of an anonymous letter?—I might say that the writer has written in absolutely good faith.

6. The position is this: that it has been entirely owing to the letter having been read by the Premier in the House that the Committee has been occupied the last fortnight in taking evidence in connection with dealings with Natives with regard to their timber, and the Committee wishes to get all the evidence possible on the subject in order to see if any injury has been done to the Natives. As I understand from the statement you made to-day, and from the letter sent, it was a warning to the Government to prevent the Natives from being deprived of their interests in this timber for a very small remuneration. The Committee has been taking evidence from those Europeans who have been engaged in this timber business, in order to see what terms they have been making with the Natives; and the Committee is anxious to know if there is any evidence to show that any unfair advantage has been taken of the Natives by these Europeans in their dealings with the Natives. That is the object we have had in view during the last fortnight, and we wish to get full information with regard to the letter which was read. That is the position the Committee is placed in now?—Yes. Well, it takes a little while to get a reply from Raetihi, and I am not in a position to say whether the writer will authorise me to give his name or not. All I can say is that I know the writer, and that his word may be relied upon.

7. Did the writer mention any prices that were being paid to the Natives for the timber?—No.

8. There is just a bare statement?—Just the letter which was mentioned by the Premier in the House.

9. *Mr. Herries.*] Did the writer say that the Natives were being robbed?—I think he said that they were being exploited. I think he complains that the timber was being secured by a syndicate instead of by a number of sawmillers.

10. *Mr. Remington.*] Possibly there has been a misunderstanding with regard to the meaning of the words "exploited to the disadvantage of the Natives"?—I cannot say whether he meant that or not.

11. Could he tender evidence on this matter?—I will wire to him at once to see whether he will come down.

12. *Mr. Willis.*] Is this individual interested in any way in the timber business?—He is a resident of the district, and has timber property.

13. *Mr. Hone Heke.*] Is he a Crown tenant?—I think he is.

14. *Mr. Moss.*] Does he want the timber himself?—I cannot say that.

15. *Mr. Hone Heke.*] When you say he is a resident there and has timber country, and say you think he is a tenant of the Crown, do you think he has got his timber by that means—by selection?—I know he has land containing timber.

16. Was the land Crown land?—I cannot say whether he is a leaseholder or freeholder.

17. But was the land Crown land?—Yes, at one time.

18. He acquired his land from the Crown?—Yes.

19. *The Chairman.*] You say he is working this timber: is it on his own land?—I do not know whether he is working it, but he has land containing timber which he acquired from the Crown.

20. *Mr. Remington.*] I would like to have the matter made quite clear: in giving the Premier that information, you did not give it because you thought that the Natives would be exploited—that an unfair advantage was being taken of them?—No; I gave it to the Premier in order that he might make inquiries if he liked.

21. *Mr. Willis.*] Were there any other circumstances which might have led to your bringing it before the Premier—circumstances which led you to suppose that the Natives were being dealt with in an unfair manner?—No.

22. All you had to do was to give him this letter?—Yes.

23. *Mr. A. L. D. Fraser.*] The letter made no reference to the Natives leasing the land? It was only one man acquiring it to the detriment of some of the local settlers?—Yes.

24. *Mr. Herries.*] Is the writer of the letter a white man?—Yes.

25. I mean he is not a Maori or a half-caste?—No; he is an Englishman, I think.

26. He is not a sawmill-owner?—I cannot say whether he is interested in a mill or not.

27. Has he a mill at this place?—He is a very intelligent man, and is very well known. He takes a good deal of interest in local affairs and in county matters, and that is how I came to know him. I am sorry that I cannot give you his name, because I have not got his consent.

A. L. D. FRASER, M.H.R., made a statement. (No. 11.)

Mr. A. L. D. Fraser: A company known as the Taupo Timber Company (Limited) leased from the Natives a total of 6,245 acres, divided into what is known as the Tihoi bushes, 4,170 acres, term of lease thirty-three years; and Pouakani, 2,075 acres, for twenty-one years. The leases are strictly in terms of the Order in Council duly gazetted and dated the 14th November, 1900. The company under the leases pays £2 per acre for the totara and matai only, for every acre of good timber bush, in five equal annual payments. The prospectus of the company states that “the rent is nominal merely.” The estimate of cost of putting the business into sound working-order will be as follows:—

	£
Estimated cost of tramway through bush to Putaruru, including formation, bridges, and light steel rails, assuming the distance to be forty miles, at £1,500 per mile	60,000
Rolling-stock	7,500
One log-hauling engine, with steam-engine, &c.	1,200
Two band sawmills, with all accessories, capable of cutting 150,000 ft. per week, and cost of erecting same	10,000
One small sawmill at bush	2,000
Sheds, buildings, &c.	500
First working-expenses	5,000
Bush tramways, four miles, at £150	600
Grice's freehold	12,500
Royalties on account	1,000
Total	£100,300

Very careful estimates compiled by competent men show that there should be a profit on an output of 12,000,000 ft. per annum, sawn timber, of from £40,000 to £50,000, and that is making a provision for a substantial reserve fund. Mr. James McKerrow, for over twenty years Surveyor-General, Secretary of Crown Lands, Chief Commissioner of Railways, and Chairman of the Land Purchase Board, made a careful inspection of the Native Bush by taking a square acre and lining it off with prismatic compass, measuring it by tape, and all necessary examination, to come to almost a definite conclusion, and he concludes by saying, “as a precaution against exaggeration, if one-third is deducted from the mean of the 3 acres specially examined, an estimate of 40,000 ft. of totara, and 8,000 ft. of matai per acre may be accepted for the 5,410 acres in this forest.” This refers to a portion of the leasehold only, or a total of 216,000,000 ft. of totara and 43,000,000 ft. of matai. The total amount to be received by the Natives for the purchase of the timber will be £12,490.

This statement is not made in any way as questioning the *bona fides* of the company's negotiations with the Natives, but simply as an illustration of what the Government considers to be fair and equitable terms as between European and Native in the acquisition of timber rights.

FRIDAY, 6TH NOVEMBER, 1903.

Dr. FINDLAY, Solicitor, of Wellington, examined. (No. 12.)

The Chairman: The Committee are aware that you are able to give some evidence in reference to what is called the Taupo Timber Company. A statement has been made before the Committee in reference to the position occupied by that company, and the Committee would be pleased if you could give in as short a form as possible what you know as to the position of the company in regard to the acquisition of timber rights on Native land.

Dr. Findlay: Yes. I have been connected with the company as a solicitor for some two or three years now, but I am afraid I cannot give you so much information as Mr. Atkinson, who is present with me, and who is really the originator of the company. He is familiar with every step

in the company's progress since its origination to the present day. My submission therefore would be that you permit Mr. Atkinson to state shortly to you its history. He has the figures and necessary knowledge, and therefore can speak at first hand, while I should not be able to do so. I could, perhaps, shorten the proceedings if I were given permission to appear here as solicitor for the company just to lead Mr. Atkinson on the lines you may wish to hear him.

The Chairman: You cannot do that, Dr. Findlay, because a solicitor can only appear before the Committee by request or as a witness. If Mr. Atkinson knows the history of the company from its inception he will no doubt be able to answer the questions members of the Committee may wish to put to him.

Dr. Findlay: I may, perhaps, be permitted to ask questions when Mr. Atkinson has concluded his statement to the Committee.

TUDOR ATKINSON examined. (No. 13.)

1. *The Chairman.*] The reason the Committee require information from you in reference to the Taupo Timber Company is this: that they have been inquiring into the agreements that have been made between the Europeans and the Natives with regard to timber rights, and they wish to get all the information possible from those who have made such agreements with the Natives in connection with timber rights. If you can give us shortly the nature of the rights that you have over Native lands it will be quite sufficient. We do not want to go into the details?—This matter was begun by me in 1898. I took the initial steps, and my reason for going to Taupo in the first instance was because I received a request from certain Native owners of the bush there. They told me that they had timber lands near Taupo which they would be glad to sell at £1 an acre, and I visited the lands and subsequently had various meetings with the Natives—of whom there were a great number, several hundreds—at different places. These Natives were scattered over many parts of the North Island, which, of course, involved a great deal of time and travelling-expenses, and so on; and I finally agreed through interpreters to give them £2 an acre for the bush upon certain terms which were embodied in an agreement which was prepared by Mr. Maurice Richmond, submitted to Mr. H. D. Bell, and afterwards to the Natives in turn. Various amendments were suggested by the Natives themselves, and finally the form of the agreement was settled. It was in 1899 when the terms of this agreement were settled. Those agreements—because there was more than one—at that time gave me the right to some portion of the area of timber presumed to contain about 5,000 acres. This bush is known as Tuaropaki, and lies within two distinct blocks known as Tihoi and Pouakani, and is situated north of Taupo and between Taupo Lake and the Waikato River. I and a few of my friends here, who relied upon my statements, spent some thousands of pounds in the preliminary steps taken; but it soon became clearly evident that we could do nothing at all under the somewhat primitive agreements we had unless we could get some more substantial title. The country was entirely unknown, and lies some forty miles from the railway in a direct line. The country was totally unexplored, and as soon as one came to investigate it was found that without a large amount of capital the whole project would fall through. It was at this point that I approached Dr. Findlay and represented the facts to him, and asked him to take the matter in hand with a view to seeing whether we could get a more secure title. I prepared a memorandum of the facts—I think Dr. Findlay has a copy of it which I could read—which memorandum was placed before the Government. I may say at once that the Natives from the very beginning were in favour of the steps being taken, and were extremely anxious that the matter should be pushed on. They were in full accord as a body—but, of course, you get a few dissentients in everything—with what was being done, and their only complaint was that it was not done quick enough. I can produce a copy of the statement which was lodged with the Government, and which, as I understand, moved the Government after ample consideration to give effect to the prayers of the Natives. It contains all that could then be said of the bushes, and the conditions under which they could be taken up; and, moreover, if I had to write it to-day I should have to alter it very little. It is on record in the Government offices, and could be put in before the Committee, as there is nothing to be concealed about it.

2. *Hon. Mr. Carroll.*] That is the application for the Order in Council?—It is the statement supporting the application. The application was put in, I think, near the beginning of the year 1900, and the Order in Council was granted in November of the same year. Dr. Findlay saw the Minister a good many times during the interval, and he instructed me from time to time as to progress. I was anxious to get on, and he said Ministers were considering the matter, and having it reported on, and so on. Then the Order in Council was finally given which is before the Committee, and I need not go into the terms of it. The whole point of our undertaking lies in this: that our difficulty has been, and still is, in finance. When we began we did not realise to the full extent what an enormous number of difficulties lay ahead of us, and from that beginning, as I have said, there has been a continual struggle with our finances. We have had to make sacrifices and give inducements for money which have put our interests wholly in the background as the original promoters; we can only expect to make anything out of it by very careful management. Numbers of first-class business-men have declined to enter into the matter on account of its uncertainties and difficulties, and had it not been for the way in which it had been tackled, and for the pluck of the men who were behind it, we could never have got so far as we have. Our railway will cost us alone over £100,000; in fact, when we have completed our scheme as a whole it will have cost us £150,000 at least. The railway, which in our circular was put down at forty miles in length, has turned out to be fifty-one miles, owing to the roughness of the country and the necessity for careful grading.

3. *Mr. Herries.*] What other agreements have you with the Natives? We have only heard that you paid them £2 an acre?—The conditions under which we hold the leases are set out in the Order in Council. The Government were very definite about these conditions. One of the con-

ditions was that we were to cut a certain minimum quantity of timber—1,000,000 ft. per annum—but the first year was to extend to eighteen months from the time we had secured our tramway route. At least 1,000,000 superficial feet per annum has to be sawn and marketed, and for this purpose fifty-one miles of tramway had to be acquired and the tramway built.

4. Do you give the Natives £2 an acre for the timber?—Yes.

5. There is no royalty over the timber?—No. It is £2 an acre for the actual bush-area. We had, at our own cost, to measure the area. It was assumed to be then about 5,000 acres, but, of course, we could never tell how much of that we should be able to obtain. We could not claim that we held even one-half of it under our original agreements, when the Order in Council was made. Under this Order in Council the Government reserved the right to take timber or raw produce over our tramway from Crown lands.

6. Do you employ the Natives?—Yes; that is a condition, so long as they work properly. We employ a number now.

7. Do you pay them day wages?—Yes; they are under Mr. Luxford, who is an experienced miller. They get the same pay as the white people. They are paid and work under the Auckland Sawmillers' award.

Dr. FINDLAY, Barrister and Solicitor, made a statement. (No. 14.)

Dr. Findlay: I would like to point out how the Taupo timber matter stood when I first became connected with it. Mr. Maurice Richmond had prepared an agreement of much the same character as those agreements you have been dealing with. Mr. Bell perused it, and advised that, in his opinion, the agreement was a valid one. The difficulty was this: that it created no title *in futuro*—it gave no title in the future. The timber might be cut, and when it was cut it became a chattel and might then be removed. Mr. Atkinson had obtained an agreement over a large part of these 5,000 acres, and what confronted me was whether the title was sufficiently good—despite Mr. Bell's opinion as to the validity of the agreement—to spend £70,000 on the project. That was the estimated cost involved. It struck me that to spend £70,000 upon the title which Mr. Atkinson had was madness, and I considered that he would not get the amount he required unless he got something more substantial in the way of security. The statement handed in by Mr. Atkinson was drawn up, and I was asked whether the Native Land Department would facilitate the removal of the restrictions from this land, not for the purpose of giving us any privilege, but for the purpose of opening these forests to the markets of the colony. The Order in Council was ultimately made in terms which gave us no privilege. Any one else could have come in and applied for these rights if he chose to offer better terms and could have got them. That is an important consideration when you are judging as to the fairness of this bargain. For two months that Order in Council stood as an advertisement to the people of the colony that they might make a bargain with the owners of this forest and secure it if they gave more than we offered. We can prove that Mr. Bartholomew, who is an expert sawmiller, and a gentleman for whom I acted once as a solicitor, and many others, went up to see that land. I asked Mr. Bartholomew his opinion as to whether this venture was worth going into for £2 an acre, and he confidently told me that it was not, for the reason that it was impossible to get the timber out save by a tramway of over forty miles in length. That was one of the reasons why he would not enter the enterprise, and others went to see the forest and turned their backs upon it, because, in their opinion, to give £2 an acre for it was highly reckless and imprudent. Nothing further was done until the two months referred to had expired. Mr. Atkinson had the agreement, and undertook the work of getting the signatures. I saw Mr. Sheridan, who said that we would have to get at least a hundred and fifty signatures, and most probably the number was nearer two hundred. His own impression was that the title could never be secured from the whole of the Natives, and that many of the interests were undivided. That will give you an idea of the difficulties which confronted us in this enterprise. I saw Mr. Seddon twice—that is, about three years ago. At that time I had not the advantage or disadvantage—whichever way you choose to put it—of knowing Mr. Seddon as well as I do to-day. I knew the late Sir John McKenzie, because in Otago I had acted as his solicitor. Mr. Seddon took up this position: he said, "I will not allow any exploitation of these Native forests if the people concerned are to succeed by means of our public works." Now, agreements had been secured by Mr. Atkinson at Taumarunui and the places along the main trunk line, and Mr. Seddon said, "If that timber lies alongside the main trunk line you can take your answer now—No."

Hon. Mr. Carroll: You had applied to the Government before that?

Dr. Findlay: Yes; Mr. Bartholomew, I think, was my client then. Mr. Seddon said, "I will find out how far this main trunk line can tap this forest." Three months elapsed—which, I believe, is the usual time for official replies—and then I was told that the matter was being considered by the Auckland Land Commissioner. Some inquiries were made there, and I believe he recommended that as these forests could not be tapped by the main trunk line it was prudent that they should be leased. At any rate, the Government took nine months to consider the matter, and then they thought fit to release the restrictions, so that those wanting timber all over the colony could compete with us in getting this area. As I have said, several people looked at it and nothing was done. The next interview I had with Mr. Seddon was to consider the question of the Crown's right to run over our tramway, and it was made a condition that the Crown produce—timber and flax, and so on—coming from Crown Lands should have the right to pass over our tramway at a price to be agreed upon by assessors. We are now practically in the hands of the Government. I think you will find, if you look at our leases, that the Minister has power to determine our leases if we do not comply with the conditions. These conditions are that we must employ Natives where possible; that we must bring out 1,000,000 ft. of timber within eighteen months, and yearly thereafter; and that we must give the concession I have re-

ferred to to the Crown to take out timber and raw material over our tramway or railway ; and unless we comply with these conditions our leases are to be forfeited. At that time the whole of the area the syndicate had in view was 5,000 acres, and no more. Upon subsequent survey it was found that there was a little over 6,000 acres ; but if you will compute the estimated timber on that area, and the capital which will have to be expended to take it out, you will find that we have agreed to pay a very good royalty indeed, because the timber could not be got out unless we made this tramway or railway, which may be worth nothing to us at the end of the term ; and we must therefore treat the whole cost of the line as part of the sum we are paying for the bushes. The next point I wish to emphasize is this : the fairest possible test is that Mr. Grice owned a freehold of 43,000 acres, and had held it for over twelve years. Some time after we had secured these Native rights we approached Mr. Grice to see what he would take for his freehold. The reports state that the estimated timber consists roughly of 200,000,000 ft. on each area—both Mr. Grice's and the Native land. Mr. Grice had independent valuations made of the timber and of the land. Messrs. Bell and Co. acted for him. Some three months or more expired during the negotiations, and finally we paid £13,000 for the 43,000 acres belonging to Mr. Grice—the freehold of the whole 43,000 acres, including the bush, for £13,000. Mr. Grice was confronted by the same difficulty of getting anything off the land as had confronted us. On this land there is a large amount of flax, and we are advised that we can use two mills. If you compare the terms you will find that we pay the Natives very little less for the mere timber than what we are paying Mr. Grice for the timber *plus* the freehold. This keen business-man sold his 43,000 acres of land because there was no chance of his doing anything with it unless he got a railway. Our estimates, however, were falsified. We took the experience of people in the colony and America as to using a wooden tramway, and we got a report condemning the use of a wooden tramway, and were told that it would cost us more than steel rails. When I was in London this prospectus was sent to me, and I confess it puts somewhat too rosy a complexion on the scheme. I saw some people on the Stock Exchange—Mr. Begg and others—and they said, “ You want a construction bond. There is no proof that that will be obtained.” They asked me what the total output was, and other questions. Mr. Begg slept upon it for a week, and then rejected it, and I found that others would not touch it. Then we had to face this position : “ Are we going to give up the whole thing or find an additional £70,000 to make this railway ? ” And that is where we are to-day. The best experts we have consulted tell us that if we put in a wooden tramway we shall not make the venture a success ; but that if we put a railway in it will pay us to do it although the railway has to be given up at the end of the term.

Mr. Moss : Have you no claim over the railway at the end of the term ?

Dr. Findlay : None at all on that portion between Litchfield and Putaruru, but it remains ours from Litchfield to the bushes ; but we are asking the Government to allow us to lay down the rails from Putaruru to Litchfield. In the meantime McLean Bros., of Auckland, who are constructing the tramway, are in difficulties as to transport. I am quite prepared to give the Committee a complete list of our shareholders. A number of people in Wellington have spent thousands of pounds practically of their savings in trying to help this thing through, because they felt that the amount they had still in it would go unless they faced the additional capital required. The original shareholders had about 75,000 shares. They had no more money. They issued 75,000 preference shares, and then it was found that more money was wanted, and debentures were issued for £60,000 having a first charge over everything. That is our present position, and we still want £30,000 to go on with. The difficulty is that we have to buy steel rails for our tramway, and the difference amounts to £40,000. I thought of appealing to the Government, but we have no encouragement from it that we are likely to get any help, and it will probably amount to this : that those who are in it still will have to find the necessary amount. Mr. James Fulton, the engineer, and McLean Bros. have undertaken to construct a railway which will enable the rolling-stock of the Crown to go over our line. We have intimated to the Government that we shall keep the line in such a condition that they can run their trucks and passengers over it. That is the position just now. If we can pull through and get our £30,000 we think we can do very well—perhaps exceedingly well—but if not, then the prospect before us is not a very hopeful one. Now, every matter of this kind which touches politics seems to have a sinister side to it, and I want to say that no person in any way connected with politics has or ever has had the faintest interest in this concern. When I was first approached I think the syndicate consisted of seven or eight people, and they were all on the Opposition side in politics. Mr. T. W. Hislop was one of the original investors in this project, and put in some £700 or £800, on which he got no interest. When the Order in Council was obtained and the leases secured he took his chance and accepted £1,300 and went out gladly. It may be taken as perfectly clear from this what his opinion was at the time the leases were secured. It may have been said that we had a really good thing, but that is a fair indication of the position. The Government have been particularly vigilant in connection with this matter. On one of the first applications I made I was called upon to supply a list showing the names of all those who had anything to do with the concern, and that is now in the hands of the Government. If the Committee will peruse that list it will find that so far as there may be any political aspect of the matter, I believe I am the only one interested who belongs to the political party at present in power. That is, I think, all I can tell you.

TUDOR ATKINSON further examined. (No. 15.)

8. *The Chairman.*] You were giving your evidence before this Committee, and were interrupted this morning : have you anything further to say in connection with this matter ?—I do not quite know what the Committee most desires ; the whole subject is a very intricate one. I have brought with me a copy of the Order in Council, a copy of the original agreement, and a copy of the lease now taken in terms of the Order in Council. I shall be glad to answer any questions.

9. *Mr. Hone Heke.*] Does the lease include the provision that Mr. Fraser spoke about this morning, that the Minister has a right to terminate the lease?—Yes.

10. *Mr. Herries.*] How does the Minister come in?—He is made a party to the lease by Order in Council, under a special deed of covenant required to be entered into by anybody taking up the land.

11. *Mr. Hone Heke.*] Is that embodied in the lease?—It is embodied in the lease, and also, I think, in the deed of covenant entered into between the company and the King. [Document produced.]

12. *Mr. A. L. D. Fraser.*] You estimate, Mr. Atkinson, that the outlay of the syndicate will be practically £150,000?—Yes, at least.

13. The larger amount being required for laying down the railway?—Yes.

14. The timber being in the bush, you were led to believe by the opinions of experts that it will pay you to have an iron railway better than a wooden tramway?—Yes, if we get the capital—that is the point.

15. I hope you do not think that any of these questions are being put to you with a view to questioning the *bona fides* of the company?—Certainly not. I will answer all questions without bias and straightforwardly.

16. That is the position: it will ultimately pay you to have a railway of your own?—Yes.

17. And that is your anticipation?—Yes.

18. By the Order in Council were you not empowered to lease the land?—Not in the ordinary sense. We have no grazing rights or any rights of property over it, except the right to construct a tramway and use it for timber purposes strictly. All other rights belong to the Natives, and there is a clause requiring us to give back absolutely the land from time to time not required for timber purposes.

19. In the Order in Council it states that you may execute any grant to the said land: does that only refer to the power given to you to erect a tramway or buildings on that land?—Yes.

20. It does not give you power to occupy the land?—No; we have taken no such power, except, of course, for timber purposes only.

21. Can you say what is the actual bush-area of the leasehold?—When the negotiations first began the actual area had never been surveyed, and it was presumed to be about 5,000 acres. It was then assumed to contain about 150,000,000 ft. of totara and matai. We bore the cost, and actually surveyed the bush-area for the purpose of making payments to the Natives at the rates specified; and upon the plan annexed to our circular to members, dated the 24th March, 1902, you will find the areas accurately set out. They are the true areas ascertained by actual survey—6,245 acres in the various forests—that is, on the Native lease.

22. That is the bush-area?—Yes.

23. The Order in Council empowered the leasing of over 20,000 acres, did it not?—Yes. These bushes are islands in an open waste, and at that time it was not known with any degree of certainty where the bushes being unsurveyed lay. The larger area was included for the purpose of giving ample scope for tramways. It is rough country, and you might get through with the tramway in one place, while in other places it would be impossible. The larger area was thrown in to allow for exploration and selection of best tramway routes.

24. Do you pay £2 per acre on 6,245 acres only?—Yes.

25. Turn to your position before the Order in Council was issued: you advised yourself in the matter—you had a legal opinion as well as your own that your agreement was a valid and legal one?—The weight of opinion was on that side, that it was a valid agreement; but I may say that the line of demarcation between a legal and illegal agreement in the purchase of timber-areas runs into a very fine one. But, with regard to this preliminary agreement, that is where our difficulties began, and they must by no means be underrated at any time. The two properties, Tihoi and Pouakani Blocks, upon which the bush-area stood, were then owned by three hundred Natives in each block—between two and three hundred—and we only had about fifty signatures to our original agreements before the Order in Council was granted. But then it was presumed that those fifty—it may have been sixty or more—were men with full interests. So that it was a very precarious holding. It was impossible under that holding to lay out any money on a large scale.

26. If you had had the whole of the signatures would you have felt your position fairly secure?—I should never have got the money for the tramway, because there was no term of years mentioned. Of course, I have learned a great deal more in the five years of struggle I have had than I knew before, and at the time, all this information that one now gets so readily was wanting. We had to discover all that, and it has taken a great outlay of money and time.

27. If you were entering upon similar ground now you would not tread on such thin ice as to the validity of the agreement?—It is always a difficult matter.

28. You still think there is some doubt about it?—I am advised that there is a little doubt about it.

29. *Hon. Mr. Carroll.*] There is a difference between your original share title and the leases since obtained under the Order in Council?—An infinite difference; and the test of these things lies in the finding of the money.

30. *Mr. A. L. D. Fraser.*] I understand that under the agreement you were to pay the Natives £2 an acre?—Yes, in five annual instalments.

31. The conditions contained in the Order in Council were the conditions that you had submitted to the Cabinet, and you were agreeable to them?—Some of them were, and some emanated from the Government.

32. The majority were your own?—The majority had been taken from the preliminary agreement which had been elaborately threshed out and amended by the Natives so as to get a completely harmonious base of understanding.

33. When the Order in Council was issued it was open to any one to enter into negotiations for that land?—Yes.

34. But subject to the conditions that you had laid down to a very great extent?—Got from the Natives? Yes, many of those terms were suggested by us, because they were the terms on which the Natives had agreed it was reasonable to dispose of their timber.

35. The point I wish to make is this: that any one outside yourself negotiating for that land would be bound by the conditions or terms that you had placed in the Order in Council?—They would be bound by the terms of the Order in Council, of course.

36. After the issue of the Order in Council your position, as compared with the position previous to the issue of the Order in Council, was this: that you might say you had a gilt-edged security?—Yes; the position was very much better. Of course, there were rehearings in connection with the blocks to be disposed of, and the interests of owners had to be ascertained and subdivided; then the whole of the Native signatures—that is, of the rightful owners—had to be obtained for the corners of the blocks in which the bushes lay.

37. But your position was very much sounder?—Yes; after we had got the leases signed by the proper owners and confirmed by the Court.

38. And in the face of that you did not see your way to give more than £2 per acre?—Certainly not. The first agreement would have been impossible. I found that out when I tested it on the money-market.

39. You paid Mr. Grice how much?—Thirteen thousand pounds odd; 6s. 3d. per acre all round for the 43,000 acres.

40. Have you any idea what Mr. Grice paid for it?—No, I have not.

41. You told us this morning that you had an understanding with the Government that you would carry on your railway when it was completed anything they might require in the way of passengers, goods, and timber?—The terms are limited by this deed of covenant with the King. One of the conditions the Government made was that we were to bring out produce from Crown lands.

42. At what rate?—At rates to be agreed upon, or failing that, at rates to be fixed by arbitration.

43. So that, as a matter of fact, you do not know what the Government would pay?—No; it would depend largely upon the class of line. If we continued the running of a horse-line it would cost at least 3s. per 100 ft. to bring the timber down to the railway, which, of course, would be a great deal more than the charge on the same length of Government line.

44. *Mr. Hone Heke.*] Where from?—From the bush to Putaruru, fifty-one miles; our experts advise us that it will cost us at least 3s. a hundred on the horse-tramway. That would be the actual haulage.

45. *Mr. A. L. D. Fraser.*] And then from Litchfield to Auckland?—It would be another 3s. from Putaruru to Auckland.

46. But the agreement with the Government is on the assumption that you propose to lay down a railway-line?—It is called a "tramway." We have had to acquire all the freehold right out over the whole distance, except over the Government portion, about five miles from Litchfield to Putaruru.

47. You do not propose to carry the timber from Crown lands on a horse-tramway?—The Government can compel us to do so, subject to their paying a sufficient sum to be settled by arbitration or mutual arrangement.

48. Is it, as far as you are informed by your experts, a fair estimate to say that from this leasehold property there will be recovered about 250,000,000 ft. of timber—totara and matai?—Yes; or 230,000,000 ft. That document [the circular to members of the company] shows it.

49. I am quoting from Mr. McKerrow's estimate?—His estimate, I think, was about 600,000,000 ft. for the two properties, but he reduced that to 400,000,000 ft. to be on the safe side—that is, on the Native and the freehold land together.

50. I am treating of the leasehold?—Yes; it would be about 230,000,000 ft. I think Mr. McKerrow's estimate is a fair one.

51. Taking the selling-price at present, what would be the value of totara and matai at Auckland or the Thames—the shipping-port—per 100 ft.? Would it be fair to say 16s. 6d. per 100 ft. for the totara and matai?—That would be for first quality. The price is too much all round. In that estimate sufficient allowance is not made for seconds and thirds, I think.

52. Perhaps it is a question you are not quite capable of answering?—That is so. I may say I am mainly responsible for those estimates, but they were given to me by a sawmill. Sufficient allowance was not made there for seconds and thirds, which in totara are very large.

53. It would be an exaggeration to say it was worth 16s. 6d.? It is only fair to you and the company to say that it is an exaggeration in the prospectus?—I should say that price might be applied to timber of first-class quality only.

54. But taking the seconds and thirds it is exaggerated?—Yes; it is extravagant.

55. *Mr. Mander.*] You say that you were compelled under the agreement to run the timber out by a horse-tram?—We were compelled to put in a tramway—the kind was not specified—sufficient to market the output.

56. But you would not think of running fifty miles with horses?—It would be impossible to do it, some people say, but I think myself we could do it profitably with horses. They say I am over-sanguine.

57. Do you not think it could be done more profitably with engines?—Very much. But our difficulty has been want of capital, as I have tried to emphasize, and it would have been impossible—and I say it deliberately, because I have been four or five years at it—to get the capital to put the tramway down unless we had consented ultimately to put in an iron tram-line, and we certainly could not have got it then without the aid of the freehold.

58. Have the grades been laid down carefully?—Yes; 1 in 45 is the ruling grade.

59. You believe that the different title you now have, as compared with the title you had when you first bought the property, is much more advantageous and adds very much more to the value of the timber?—Yes; it adds very much to the value of the property.

60. *Hon. Mr. Carroll.*] You could not have floated your company without it?—No; even on the leasehold alone it would have been absolutely impossible. We could have done nothing without the freehold; the freehold itself includes 5,500 acres of timber, and much of the land when cleared will be worth £2 or £3 an acre. Then there is the flax, and it has on it also the line of tramway which leads to the leasehold. The freehold is the key to the position.

61. You consider the proximity of a bush to the railway is a considerable factor in forming an estimate as to its value?—A very material one.

62. If close to the railway-line it would be worth very much more? In this case you could have paid 2s. or 3s. more?—Yes; but the timber would have been consumed long before this if it had been near a railway. I am prepared to say—and this opinion is founded on the practical experience of many men who have talked with me on the subject—that if we had to use our own horse-tram only, and were to pay 1s. per 100 ft. royalty on our timber, it would be a fair equivalent to pay 4s. or 5s. per 100 ft. royalty if the bushes were close against the Government railway-line.

63. When you speak of the price of your timber, do you mean the wholesale or retail price in the market?—The price referred to in the circular is intended to represent the selling-price to the consumer. That would be retail.

64. *Mr. Hone Heke.*] I understood you to tell Mr. Fraser that if you included all grades of totara and matai 12s. would be a safe figure?—On the average of the whole turn-out of the mill that would be a fair price, I think.

65. *Mr. Mander.*] Have you any knowledge of the proportions of totara, matai, rimu, and kahikatea?—The totara and matai predominate wholly in the Native bush. The rimu is a very small proportion. The totara is more than twice as much as matai.

66. With regard to totara and matai, you give me the price at 12s. per 100 ft.?—Yes, that is so.

67. *Mr. Field.*] You said that £150,000 would have to be spent before you got the first load of timber out?—Yes.

68. Does that include the cost of the railway?—Yes.

69. It includes everything?—Yes. The railway will cost pretty well £100,000.

70. And you are still in trouble as to whether you can get the £40,000 which is needed?—Yes. I have no doubt we shall get it, because by hammering away all these years we have got other moneys, and I have no doubt we shall get this; but we have the ordinary risk of the money-market—its stringency, and so on. The original promoters, who spent many thousands of pounds, have only ordinary shares, which are of value only if we succeed. Then there are the preference shareholders and debentureholders. We shall have to issue further debentures.

71. Dr. Findlay said that for a period of two months following the issue of the Order in Council anybody could have come in and secured this timber?—I think the doctor rather misunderstood that. My opinion was that two months had to elapse before the Order in Council was valid—it matures in two months.

72. *Hon. Mr. Carroll.*] But there was two months to proclaim it to the outside world?—Yes.

73. *Mr. Field.*] And at the end of the two months the whole world was placed in the same position as yourself?—Yes.

74. But you held your documents from the Natives?—Only fifty or sixty had signed.

75. And of those fifty or sixty some belonged to one block and some to another?—Yes.

76. Subject to the rights acquired under that document the whole world was on even terms with you?—Yes.

77. You did not give up your agreement prior to the Order in Council? That was not one of the conditions?—No.

78. If I had come in and bought from the Natives who had signed your original contract, would you not have tested the matter?—It is just a question of legal right and equity.

79. But you were advised by Mr. Bell, at any rate, that the documents were valid ones?—Yes; it was the element of uncertainty that arose when it came to spending large sums of money.

80. This property is owned by the company, I understand?—Yes.

81. I presume there is nothing private about this question: what did you, as the original proprietor, get out of it on the formation of the company?—I took ordinary shares. I have had no money; in fact, we spent between us £12,000 or £15,000 before we moved.

82. And you have got no money back?—No.

83. How many shares did you get?—I have 19,000 ordinary shares. (See letter in Appendix.)

84. And how many shares are there in the company?—One hundred and fifty thousand—that is, in the two companies, 75,000 in each.

85. You do not consider, then, that you are overpaid?—No; I have had to bear the brunt of the whole thing from the start. I was to have had one-third, but I have had to give away largely to capital; if the thing fails I do not want anything. I am interested in seeing the business developed, and I want to see a large industry built up there on fair lines.

86. And, taking all the circumstances into consideration—the expenditure and the inaccessibility of the bush—you consider that the Natives are getting a fair thing out of it?—I do not think any one would give more. If you take yourself back five years, when timber was not so valuable as it is now—and bear in mind that Mr. Bartholomew visited this bush and would not touch it, because he said it would not pay for generations; and also remember that Prouse Bros. also at that time went up to Taumarunui and investigated the bushes there, and said they would not pay to work because the expenditure would be too heavy, you must come to the conclusion that the price paid was a reasonable one.

87. *Mr. Hone Heke.*] What time are you speaking of?—1898 or 1899. I say positively that it would have been impossible—looking back to the position of timber as it stood then—to have obtained the money on a royalty basis, because royalty is paid on bushes more easily available and not requiring such great efforts to get the timber to market. I know that it would be a hopeless quest to seek capital for that bush on a royalty basis. Of course, people are apt to judge the matter now by the present condition of things, but when we took that bush up the timber was not in anything like the present demand, and if it were not for the tramway that we are putting in it would now be valueless, just as the bushes at Waimarino and Taumarunui would be valueless if it were not for the main trunk railway, so far as capitalists and timber-men are concerned. The capital could not be got except on the basis of constructing a line and taking a far-reaching view of the matter.

88. *Mr. Field.*] You know there has been inserted in the Maori Land Laws Amendment Bill a clause—clause 31—providing for the review of all contracts giving timber rights over Native lands?—I am told so.

89. This inquiry has not been made with a view to assailing your transaction, but in the course of consideration of the clause in question, and in taking evidence in connection with other people's dealings, it was suggested that you were getting a much better bargain than other sawmillers were. We have had it in evidence that people who have obtained bush very much closer than your bush are paying 2s. 3d. for totara, 1s. for matai, 8d. for rimu, and 4d. for kahikatea. Now, do you know enough about the subject to say whether those prices compare unfavourably with the price you are paying, or what do you say in answer to that question? Do you think you are getting a much better bargain than other sawmillers are?—No; I consider we have given enough, taking into consideration the cost of building this long tramway of fifty-one miles. On the other hand, judging from the general rates given, the prices you have named seem to be very fair.

90. *Mr. Harding.*] I understand that you have started work on the tramway?—Yes.

91. Are you laying down a horse-tramway, or rails sufficiently strong to carry an engine?—We are laying down a wooden tramway, but so graded and sleepers that we can convert it without any additional cost. Our bridges are all railway-bridges. Mr. James E. Fulton is our engineer, and his capacity is well known. We have laid the tram down in wood, but with a view to using steel rails as soon as it is possible to purchase them.

92. What about your curves; have they been considered too?—Yes; all the curves and grades have been taken into consideration, and we have imported a special engine. Our object is solely to get the timber out, and we recognise that unless the whole thing is done on economical lines we shall find ourselves in difficulties.

93. *Mr. Heke.*] You have already stated, in answer to a question, that your expenditure for the railway will be about £100,000?—Yes.

94. Does that include rolling-stock?—Yes; but that would not be very heavy relatively to the whole of the expenditure.

95. Would the £100,000 include the steel rails?—Yes.

96. And the formation of the line?—Yes.

97. With regard to the rolling-stock proper: is that included?—Yes; I think that amount might cover it. At present we shall have a 24-ton engine and twenty timber-wagons of an improved type.

98. To be safe, you make the estimate for the railway £150,000?—No; that is our total expenditure for everything—for the railway, property, and everything else.

99. Including the plant at the mills?—Yes.

100. Have you a plant at the mill working now?—Yes; cutting. We supply the contractors for the line with the necessary timber.

101. Can you give us any idea as to the output of the mill?—The mill is capable of cutting about 12,000,000 ft. a year, working with a double shift. The mill will be lighted with electricity, and is constructed with the greatest regard to economical handling; and we are in a position now, when the railway is through, to cut 10,000,000 or 12,000,000 ft. a year.

102. Is it in full working-order at the present time?—Yes; subject to being tuned up. The whole thing is there, but it will take a little time to get things into complete working-order.

103. Supposing the Putaruru-Litchfield line was built up to within two or three miles of where the bushes are being worked, what royalty would you be able to give?—I think the property would be worth about the same royalty as has been given on the main trunk line, speaking generally and without going into a calculation.

104. What proportion of bush is there on Grice's property—your freehold?—There are over 5,500 acres of milling-bush, but a portion of that does not contain much totara. It is matai and rimu, but of very good quality.

105. When you were negotiating with the Natives for the purchase of this timber lease were there any other Europeans keen enough to move about for the same purpose?—No; no one would look at it. There had been several men up there, the Natives told me, but they would not look at it—the difficulties were too great. They offered it to me at first for £1 an acre, and that induced me to go there.

106. When did you start to negotiate with the Natives about Taumarunui?—It was prior to the negotiations I have been speaking about.

107. Did you obtain the right over many blocks there?—I have agreements over a group of blocks around Taumarunui.

108. You said there were 5,500 acres of timber-area on your freehold?—Yes.

109. Does the line of railway run through that or alongside of it?—The freehold extends from the Waikato River to Taupo Lake, and the tram runs twelve miles or more south from the river through the freehold before it turns in towards the leasehold bushes.

110. What amount of royalty would you be able to give the Natives if the line was a Government line and was already made up to this bush?—It would be worth the same money as the timber would be worth on the main trunk line—2s., perhaps, for totara, and 1s. for matai, and so on.

111. But on what measurement? Would you give 2s. for totara on the log-measurement?—That would need consideration; but, speaking generally, I would say 2s. would be a fair average on the output.

112. With regard to the timber at Taupo: if you had a railway constructed there by the Government, would you say you could give 1s. per 100 ft. log-measurement all round on all the timbers?—Yes; because there is a large proportion of matai and totara. The proportion of the cheaper timbers is small.

113. Referring to your ability to give 1s. all round, log-measurement—I am speaking of the two properties, and include the four timbers totara, matai, rimu, and kahikatea—would you be able to give 1s. all round?—Possibly.

114. You could not say definitely?—I think that might be a fair price, knowing as I do the proportions of totara and matai on the property.

115. *Hon. Mr. Carroll.*] Have you a list of the shareholders of the company registered?—I have not got one with me, but I will gladly supply it to the Committee. (See Appendix.)

116. *The Chairman.*] Is there any flax on the Native land at Taupo?—Yes.

117. Have you the power to work the flax under the agreement?—No; that lies with the Natives. The flax is very scattered, but they tell me there is quite a considerable quantity.

118. Is there any flax on your freehold?—Yes; but we have no rights over the flax on the Native land.

119. *Mr. Parata.*] Your rights are confined to the timber?—Strictly to the timber.

120. *Mr. Mander.*] By putting this railway into that country, and making the flax a marketable commodity, I suppose you would increase the value of the Native property considerably?—Yes, undoubtedly.

APPENDIX.

SIR,—

Wellington, 7th November, 1903.

I enclose herewith list of names of ordinary and preference shareholders in the Taupo Totara Timber Company (Limited) which I undertook to hand to you.

In reply to Mr. Field, I said that I held 19,000 ordinary shares. I originally held as vendor of interests in both companies 22,500, or 11,250 in each. Of these, however, I have parted with some to friends and relatives, all of whose names appear on the list handed in. I now hold 19,482 ordinary shares—that is, 9,741 in the Taupo Totara Timber Company (Limited), and a like number in the Wellington Industrial Development Company (Limited) which owns "Grice's freehold"; so that the consideration I received in respect of the Native bushes was 11,250 ordinary shares in the Taupo Totara Timber Company (Limited).

Yours, &c.,

The Chairman, Native Affairs Committee, Wellington.

TUDOR ATKINSON.

THE TAUPO TOTARA TIMBER COMPANY (LIMITED).

Preference Shareholders.

BAYLY, G. O., runholder, Pahiatua; Williams, William, runholder, Te Aute, Hawke's Bay; Williams, Allen, M., runholder, Te Aute, Hawke's Bay; Warren, Lucy F., Wellington; Crawford, H. E. V., runholder, Pahiatua; Munro, Charles J., Palmerston North; Bayley, F. E., Captain 20th Hussars, Cairo; Strang Bros., runholders, Palmerston North; Russell, H. H., runholder, Hawke's Bay; Abraham, R. S., merchant, Palmerston North; Luxford, S. W. and W. L., saw-millers, Dannevirke; Collins, William E., M.D., Wellington; Fell, Walter, M.D., Wellington; Denniston, G. J., runholder, Rangitata; Williams, G. A., station-manager, Kaikoura North; Stuart, Thomas, runholder, Napier; Dalston, N. H. M., General Manager, Midland Railway Company, Wellington; Guthrie-Smith, W. H., runholder, Napier; Guthrie-Smith, Georgina M., Napier; Hastie, William, runholder, Kaikoura North; Bayley, J. F., Halls Dunbar, N.B.; Bayley, E. C., Captain 15th Lancers, Punjaub; Russell, A. E., runholder, Palmerston North; Keiller, W. A., runholder, Bull's, Rangitikei; Keiller, E. J., runholder, Bull's, Rangitikei; Wenley, G. S. V., merchant, Napier; Wilson, J. G., runholder, Bull's, Rangitikei; Hoby, Arthur, dentist, Wellington; St. Hill, Charles P., runholder, Porangahau, Hawke's Bay; Birch, Lydia, Thoresly, Marton; Barnett, Lewis E., M.D., Dunedin; Fell, Arthur, London, England; Saunders, J., contractor, Wellington; Atkinson, E. G., schoolmaster, Wanganui; Fell, Henry S., clerk in holy orders, care of Dr. Fell, Wellington; Mace, George W., runholder, Bramerton, Masterton; Logan, Francis, solicitor, Napier; Maclaurin, R. C., professor, Wellington; Findlay and Dalziel, solicitors, Wellington; Ferguson, William, civil engineer, Wellington; Wenley and Lanauze, merchants, Napier; Fulton, James E., civil engineer, Wellington; Chambers, T. M., runholder, Havelock North, Hawke's Bay; Chambers, Bernard, runholder, Havelock North, Hawke's Bay; Nolan, Octavia J., Hawera; Birch, W. C. C., runholder, Moawhango; Dalrymple, J. T., runholder, Bull's, Rangitikei; Cook, C. H. H., professor of mathematics, Christchurch; Bruce, J. Charles, Portsoy, N.B.; Abraham, M. F., Palmerston North; Gaisford, H. W., runholder, Dannevirke; Empson, W., headmaster, Wanganui College; Pease, J. F., runholder, Hawera; Atkinson, Mary H., Wellington; St. Hill, Felix P., civil engineer, Wellington; Potts, Jane E., Kereru Koputarua; Loughnan, C. A., solicitor, Palmerston North; Atkinson, S. A., solicitor, Wellington; Russell, A. E., Palmerston North.

Ordinary Shareholders.

Atkinson, E. T., solicitor, Wellington; Fell, W., M.D., Wellington; Collins, W. E., M.D., Wellington; Fulton, James E., civil engineer, Wellington; Miles, A. H., merchant, Wellington; Pharazyn, C. B.; Lysaght, B. C., runholder, Hawera; Findlay and Dalziel, solicitors, Wellington; Atkinson, A. C., dentist, Hawera; Price, Thomas, timber-merchant, Petone; Lysaght, runholder, Hawera; Simpson, R. M., General Manager, Phoenix Assurance Company, Wellington; Nolan, R. H., runholder, Hawera; Hoby, A., dentist, Wellington; Fell, A., London; Atkinson, H. D., clerk, Wellington; Fell, Charles, solicitor, Nelson; Warren, Holmes, Tiraumea, Alfredton; Hall, Henry, solicitor, Wellington; Atkinson, S. A., solicitor, Wellington; Swan, J. S., architect, Wellington; Empson, W., headmaster, Wanganui College; Pease, J. F., runholder, Hawera; Barton, E. L., runholder, Hawera; Atkinson, Lady, Wellington; Stocker, B. E. S., clerk, Wellington; Halliwell, H., solicitor, Hawera; Fantham, A. A., auctioneer, Hawera; Atkinson, Mrs. E. F., Wellington; Dalston, N. H. M., Manager, New Zealand Midland Railway Company, Wellington.

SIR,—

Piriaka, King-country, 28th October, 1903.

Noticing by paper report of parliamentary proceedings that a Bill is before the House—the Native Land Laws Amendment Bill—which if passed will cause us considerable expense, I now write you to explain our position, hoping you will help us if you can.

We have negotiated with the Natives for the right of cutting the timber now standing or otherwise on a block of land called Waimarino No. 6, of about 1,360 acres, of which about one-third is fair milling-bush of mixed timber—kahikatea, rimu, matai, and totara—the rest fern-scrub and valueless trees. We are to pay the owners a royalty of 2s. per 100 ft. for first class of any sort, 1s. for second class, and 6d. for third class, all any sort of timber, and to pay for leasehold of mill-site a rent of £15 per acre per annum, which the Native Council have given their approval to; and we are only allowed about 300 acres to go on with, and to cut no more until all valuable or saleable timber is removed of the portion allotted to us, and to sow down in grass land gone over. The Natives have now received £200, which was to be deducted out of royalty; and clearing and levelling a portion for mill-site and making tram-line, and other work and general expense, has cost us about £300 more; and there is no way of getting back any of it unless the mill goes on, and we are only workers, and can ill afford to lose so much. We are to pay a higher royalty than the Government is charging, and, besides, when we entered into negotiations for the bush it was quite legitimate, and to make void a transaction that was done according to the existing laws of the country is anything but fair. Hoping you will do what you can in our behalf, we remain,

Yours, &c.,

Mr. Jennings, M.H.R., Wellington.

HUGH McIVOR. EDWARD JAMIESON.
ANDREW FLEMING. GEORGE MORRIS.

(Telegram.)

Kohukohu, 30th October, 1903.

FOR kahikatea and rimu, 1s. 10d.; kauri and totara, 3s. 6d.; delivered at mills.

Hone Heke, Wellington.

HORI KARAKA.

(Telegram.)

Kohukohu, 1903.

KAURI Timber Company giving—kauri, 3s. 6d. hundred delivered; kahikatea, 1s. 10d.

Hone Heke, Wellington.

HORI KARAKA.

[Translation.]

(Telegram.)

Te Kuiti, 24th October, 1903.

PLEASE strongly oppose the proposal of the Government in regard to the timber-bushes of the Maoris; we are satisfied with the arrangements.

Massey, Wellington.

MANAWAITI,
And all of us.

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