1910. NEW ZEALAND

LANDS COMMITTEE

(REPORT OF) ON THE PETITION OF THE KAURI TIMBER COMPANY FOR TITLE TO THE TIMBER ON THE WAIWHAKAURUNGA RIVER WATERSHED; TOGETHER WITH MINUTES OF EVIDENCE.

(HON. T. Y. DUNCAN, CHAIRMAN

Report brought up on Thursday the 25th August, 1910. and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

THURSDAY, THE 7TH DAY OF JULY, 1910.

Ordered, "That a Committee be appointed, consisting of the members, to whom shall stand referred, after the first reading, all Bills affecting or in any way relating to the lands of the Orown, or educational or other public reserves; the Committee to have power to make such amendments therein as they think proper, and to report generally when necessary upon the principles and provisions of the Bill: the Committee to have power to call for persons, papers, and records; three to be a quorum: the Committee to consist of Mr. Anderson, Hon. Mr. Duncan, Mr. Ell, Mr. Forbes, Mr. Guthrie, Mr. Hogg, Mr. Lawry, Mr. Witty, and the mover."—(Right Hon. Sir J G. Ward.)

REPORT

No. 218.—Petition of the Kauri Timber Company (Limited), of Auckland, for an equitable title to all timber-trees on the Waiwhakaurunga River Watershed.

I am directed to report that the Committee is of opinion that the petition should be referred to the Government for favourable consideration, conditional upon the Kauri Timber Company, in the event of the Government giving effect to their prayer, paying the whole of the taxation due from the original date of the Kauri Timber Company's lease.

The minutes of evidence are attached hereto.

T Y. Duncan Chairman.

25th August, 1910.

MINUTES OF EVIDENCE.

THURSDAY, 4TH AUGUST, 1910.

Mr Lawry: I have very few words to say in connection with this matter, because it is a question that rests mainly on documentary evidence. I have not the slightest doubt myself that there was an error in the original survey of these blocks, and that it was the intention of vendors and purchasers that the watershed was that originally indicated. I should like to say that the thanks of the Committee and the thanks of the country are largely due to Mr Kensington for the manner in which he has dealt with this great and important question, as set out in the memorandum which has been read before the Committee. Mr Kensington has said that it was his duty to protect the interests of the Crown, but at the same time he stated that the company had abanto protect the interests of the Crown, but at the same time he stated that the company had abandoned all legal claim, and were appealing to this Committee on a matter of equity. I have not the slightest doubt that Mr Kensington does consider it his duty to protect the interests of the Crown, but, strange to say, in almost every case that I have been connected with on Select Committees, the head of the Department has invariably reported against the petition. I think Mr Kensington is an exception to the general rule, and that he is the best of them. The position is really this: that the company have abandoned all legal claim; they appeal to this Committee as to a Court of equity, and I think the Committee will realize from the evidence that there was an error made in the original survey. I think therefore the case may be fairly left to the Coman error made in the original survey I think, therefore, the case may be fairly left to the Committee to deal with on the lines of equity

OLIVER NICHOLSON, Solicitor, Auckland, examined. (No. 1.)

Hon, the Chairman I would like to hear what you have to say in support of the petition. Witness: I desire to thank you, Mr Chairman and gentlemen of the Committee, and Mr Lawry especially, for your kindness in calling this meeting to suit our convenience, and to assure you that your action is greatly appreciated by all of us. I desire also to briefly explain the position as indicated by the petition before calling on Mr. Milroy to give evidence in favour of the petition. The whole question is governed by the matter of a mistake originally made as to the location of the dividing-range between the Waiwhakaurunga River on the one side and Mercury Bay on the other side. Mr Kensington has carefully checked the survey made by a surveyor appointed by us, and he has found that the watershed or dividing-range was wrongly located by the original surveyor There is a part in Mr Kensington's report just read where a mistake has been made which is very material so far as the company is concerned. I refer to that portion of the report which states that the Te Tipi Block was purchased by the Crown prior to the purchase of the Waiwhakaurunga Block. The purchase of the Te Tipi Block was made four years after the purchase of the Waiwhakaurunga, and this is very important to the company, because it was made with full knowledge as to the position at the time. I think, however, it is a clerical

Mr. Kensington: Mr Nicholson's contention is right, and I should like to have that correc-

tion made. I say in the report the Waiwhakaurunga purchase was subsequent.

Witness: It is quite true, as Mr Kensington has pointed out, that the company has abandoned all legal claim to this timber, and I am approaching the Committee not on the legal aspect of the claim, but from a purely equitable standpoint. We consider that in a matter of this kind, where a survey of land is in dispute, and that survey has been made by Government officials at some time or other, the proper tribunal to settle it is Parliament and not a Court of law. The error has been a very unfortunate one for the company, and it has only recently been ascertained. It is quite true that the Te Tipi Block has been declared waste lands of the Crown. If not, there would have been no necessity for us to appear before you. The fact that the boundaries of the two blocks have been made to overlap one another requires our attendance here to substantiate our claim. The Waiwhakaurunga Block and the Te Tipi Block were originally held by the same Native owners, and the freehold of these two blocks has at different times been acquired by the Crown. Therefore the question at issue is one which only affects the Crown on one side and the Kauri Timber Company on the other The original mistake as to the dividing-range has been perpetuated in locating the goldfields boundary On the certificate of title of the Waiwhakaurunga Block a portion of the north-eastern boundary-line is shown as being the "goldfields boundary". A part of the north-eastern part of the goldfields boundary was fixed by statute as being at the source of the Waiwhakaurunga River Now, the source having been fixed wrongly necessarily means that the goldfields boundary is wrongly located. It might appear to be strange that the mistake has not been seen until recently, but when I produce the documents it will be seen that the company could not have ascertained the position until the true dividing-range was ascertained, as the plans attached to the deeds were misleading. The fact that the words "Dividing Range" as the plans attached to the deeds of purchase as the north-eastern boundary of the Waiwhakaurunga Block tended to deceive not only the Crown, but also the company All parties were deceived by the words "Dividing Range" having been mentioned and fixed as the north-eastern boundary

The Crown always considered that the timber on the Thames side of the dividing-range was owned by the Kauri Timber Company, and that on the other side of the dividing-range, towards Mercury Bay, was the property of the Crown. The Crown has not attempted to dispose of the timber on the Thames side of the range, but has marked and sold

timber on the Mercury Bay side. That shows conclusively that up to quite recently the Crown considered that it held the timber on one side of the dividing-range, and that we held the timber on the other side. That is briefly the position. Amongst the documents I will produce is a certified copy of the original deed of grant of the timber rights deposited in the Land Transfer Office, Auckland. That office is not permitted to produce the original, but the certified copy will show that by the original written description of the Waiwhakaurunga Block the boundaries extended to the watershed range of the Waiwhakaurunga River, and the plan attached to this deed of grant showed that the north-eastern boundary of this block was the dividing-range (the words "Dividing Range "appearing thereon). I will also show by documents that the original deed of conveyance from the Natives of the fee-simple of this block was made particularly subject to this particular deed. Therefore the Crown, when it acquired the fee-simple of the Waiwhakaurunga Block, did so with the full knowledge and notice of the timber rights sold by the Natives. Coming to the acquisition of the Te Tipi Block, I will show by the evidence that the survey of the Te Tipi Block was not a survey made on the ground. It was a compilation survey made in the Survey Office from the surveys of the adjoining blocks, on the assumption that the surrounding boundaries were rightly located. I will show, too, that when the Crown acquired the Te Tipi Block from the same individuals from whom it had acquired the adjoining Waiwhakaurunga Block, it must have acquired it with the full knowledge that up to the watershed or dividing-range on the Thames side all the timber had been sold, and belonged to the timber-owners at the time mentioned in the deed of grant. Therefore I will venture to submit to the Committee that the Crown, being the same purchaser of both blocks, had prior notice when it acquired the adjoining Te Tipi Block -that all timber on the Thames side of the dividing-range had been disposed of to other parties. It is a very important point that the Crown had full notice when it acquired the Te Tipi Block that all timber on the Waiwhakaurunga Block up to the dividing-range had been previously sold to other individuals, whose interests subsequently became vested in Kauri Timber Company This particular block of timber is a valuable clump, and has always been considered as a reserve block. The secretary of the company will show in his evidence that the reasons which actuated the Kauri Timber Company in not disputing the Crown's claim to the land were that they never asserted any right to the timber over the dividing-range on the Mercury Bay side; and that, as asserted any right to the timber over the dividing-range on the Mercury Bay side; and that, as it was concluded by them that the Te Tipi Block was on that side of the dividing-range, they naturally waived their claim to the timber on such block. There was nothing on the plans to suggest that the southern boundary of the Te Tipi Block overlapped the north-eastern boundary of the Waiwhakaurunga Block. Then, as all the Te Tipi Block belonged to the Crown, it was only right that allowance should be made for land-tax purposes, on the value of timber included in bushes growing up to the dividing-range, and that was duly made. It is admitted candidly to the Committee that the company did claim a reduction of taxation because of the assertion of the Crown's right to the timber on the Te Tipi Block, and this claim is referred to in the sevent of the Crown's right to the timber on the Te Tipi Block, and this claim is referred to in the company's petition. The secretary of the company will be able to show that the reduction was made on the assumption that the Te Tipi Block was on the other side of the dividing-range, and that a portion of the timber on this block had been assessed as belonging to the company It is only within the last few months that the true dividing-range has been rightly located. It has been checked by Mr Kensington, and found to be in the position claimed by the company He puts it quite fairly He puts it quite fairly in stating that, as the Te Tipi Block is Crown land, he must assert his claim to the timber I desire to point out in this connection is that we have not slept on our rights for the last twenty years. During the twenty years prior to 1904 the timber had always been considered to be ours, and no claim adverse to ours had ever been made. We claimed exemption of taxation only from the year 1904, when the Crown first asserted the timber belonged to it.

The Chairman You had abandoned it up to that time?

Witness: No, it had never been disputed up to 1904 that it was absolutely our timber; but when the Ranger about that time pointed out that some of the timber was on the Te Tipi Block, both parties started to look into the position. I submit that when you hear the evidence you will see that the true solution of the difficulty is this: that, the dividing-range having been wrongly fixed, it is only equitable that the Crown should waive its claim to timber it had never acquired; and, on the Committee or Parliament being satisfied that the timber equitably belongs to the company, the latter should pay to the Crown any taxation that has been waived pending the ultimate solution of the difficulty We do not wish to get out of the payment of any taxation. The reduction in taxation was claimed under a mistake as to the true position, which was only definitely ascertained a few months ago. We have not slept on our rights, because up to 1904 the timber was supposed to rightly belong to us, and it is only since that time there has been any question of title. It is a matter which I think the Committee will agree is to be decided mainly by documentary evidence. That being so, I would ask you to kindly hear the secretary of the Kauri Timber Company, and to look at the documents that will be produced, to establish the company's case, and then to allow me an opportunity to comment on the evidence when the same is concluded.

STANLEY MILROY, Secretary of the Kauri Timber Company (Limited), examined. (No. 2)

1 Mr Nicholson.] You are secretary of the Kauri Timber Company, and are acquainted with the position relative to the claim for timber on the Waiwhakaurunga Block?—Yes.

2 You put in this original deed of grant forming your company's title to the timber on the Waiwhakaurunga Block, with the plan attached?—Yes.

3 I believe that in this deed of grant your north-eastern boundary of the block of land acquired by the company is shown?—Yes.

4. You also put in a certified copy of the certificate of title of the grant of the Waiwhakaurunga Block?—Yes.

5. That shows that the north-eastern boundary is the goldfields boundary?—Yes.

6. The goldfields boundary is proclaimed to be the source of the Waiwhakaurunga River, which is at the watershed range; so the goldfields boundary has been wrongly located as well as the Waiwhakaurunga Range. You put this document in as a copy of the proclamation. [Produced.] I believe the company have also had prepared plans showing on a large scale the position of the main watershed range, as defined in the certificate?—Yes. [Produced.]

- or the main watershed range, as defined in the certificate?—Yes. [Produced.]

 7. For the information of the Committee I have a plan prepared by Mr. Mountain, showing the position of the watershed range, which has been marked by Mr. Kensington as correct. [Produced, and marked "E."] (To witness): This plan has been prepared showing the goldfields boundary as proclaimed [produced, and marked "F"]?—Yes. (To the Committee): I will endeavour to confine myself to those points which Mr. Nicholson has specially asked me to deal with, more particularly as to why the Kauri Timber Company had not previously made a definite the process of accorptaining that we did not previously made as definite to this timber. Up to 1904 we had no possible means of accorptaining that we did not previously made. claim to this timber Up to 1904 we had no possible means of ascertaining that we did not own the whole of the timber up to the range. I am quite sure every officer in the Lands Department thought with us that our timber went up to the dividing-range. It was a matter of common knowledge with all of us. The first we heard of any question on the subject was when one of our bush inspectors, who was roughly estimating the timber on the block, came across a bushman who said it was somewhat doubtful whether the timber we thought was ours really belonged to us, and our bush inspector said we had better send up a surveyor We instructed a surveyor to survey and our bush inspector said we had better send up a surveyor We instructed a surveyor to survey the part of the boundary in question, and he went to the Land Transfer Office and got the description there. After making the survey he came back and reported that a large quantity of the timber was not on our block—it was not on the Waiwhakaurunga Block. I said, "Are you quite sure of your boundaries?" He said, "I am quite sure: I got them from the Land Transfer Office." I then looked at the official maps of the block and saw that the lines as taken by our surveyor had "Dividing Range" written along them. I said, "That settles it: the timber is on the Te Tipi side of the range, and therefore belongs to the Crown." The only thing is that it is rather hard on us that we have been paying taxation and graduated tax upon it. We had a medification made in the assessment for taxation by reason of our having lost that timber. It and our bush inspector said we had better send up a surveyor a modification made in the assessment for taxation by reason of our having lost that timber It was only in 1908, when we were having a careful measurement of the timber made (in recent was only in 1908, when we were naving a careful measurement of the timber made (in recent years timber-owners have measurements made instead of estimating it), that our principal measurer said, "What about that timber standing up at the head of the Waiwhakaurunga?" I could not quite understand him. I said, "If it is within the boundary, measure it." He said, "I mean, outside the boundary-line, between the boundary-line laid down by Mr. Ward (our surveyor) and the watershed." I said, "Is there any timber between the boundary-line and the watershed?" and he said "Yes." That was the first time the company knew what had happened. On consulting our original deed we found that we had purchased all the timber up to the watershed. sulting our original deed we found that we had purchased an the timber up to the watershed. We sent a surveyor (Mr Mountain) to survey that part of the boundary as described in the deed. When instructing Mr Mountain I said, "You are required to define that boundary as described in our deed." The result is as shown on his plan, marked "E." Recently, when the departmental officers sought to stop us from measuring the timber, and asked us why we were measuring it, we said we were measuring it because it was our timber They said it was on the Te Tipi Block. From our point of view we did not think it mattered what block it was on. We had registered our timber on the Waiwhakaurunga Block, but personally I do not know what steps we could have taken to register our title to the part of the timber which proves to be on the Te Tipi Block, because the Te Tipi Block is not registered. We have operated on the block, estimated the timber upon it, and so on, up to 1904, when the question became doubtful. Up to 1909 the Crown never definitely asserted any right in the timber as far as we are aware.
- 8. Mr Witty] You admit there was no lease with regard to Te Tipi?—That is so. timber was bought for our predecessors by a Native agent named Mackay, and while he was buying this timber and other timber within the Thames district he was approached by the Crown to acquire land in the same district. He replied to the Hon. Mr. Ormond, who was dealing with the subject on behalf of the Crown, that he would be very pleased to buy land, but at present he was negotiating for timber, and he must be sure that the timber rights of his clients would be respected. Mr Ormond said their rights, both legal and moral, would be protected. Mackay then bought the lands for the Crown subject to the timber rights. When buying the Waiwhakaurunga Block for the Crown he instructed a surveyor to survey the boundary round the watershed range. The surveyor, finding the country rough and difficult to traverse, ran a line across the easier country taking shots at conspicuous points on what he thought was the dividing-range in order to fix its position by triangulation, but manifestly the points referred to were not on the true dividing-range. It did not matter much to the Crown that he made a mistake, because the Crown was buying at so-much per acre, so that a thousand acres more or less to the Crown did not make much difference. Those were the conditions on which the block was purchased. The timber, however, was bought in the mass—so much for the lot.

9. The Chairman.] You admit there was no lease with regard to the Te Tipi Block !—No.

10. And the former lessees had their lease according to the plan irrespective of the watershed to go by ?-Yes.

From them you acquired it?—Yes. They always had the plan.

11 From them you acquired it?—Yes. They always had the plan.
12 There was no lease between that and the goldfields country?—That is so. They were under the impression that they went to the watershed range. Looking at these lines, no man,

even if he was an expert, would think they were anywhere but along the watershed range.

13. I think Mr Mackay would know?—Possibly he might. He states that he went round these ranges with some of the original Native owners, and they said, "This is the water that

flows into the Mercury Bay, and that is the water that flows into the Waiwhakaurunga."

14. You admit that you have no legal right?—We have waived our legal right. We did not pursue the question very far, because it is obvious that any legal proceedings would be of a stupendous nature.

15. It might involve a loss of £20,000?—There might be somewhere about ten extensive law suits, and we should have to win the whole of them. If by any technicality we failed in one of those law suits, we should have lost our case. We should be for years in apparent antagonism to the Government, and I doubt whether we could afford to be in that position even for £20,000.

16. Mr Lang] In your deed it was stated that the watershed was the boundary?—Yes.

17 And by the plan of your deeds you could not tell whether it was the part marked red or green !-No.

18. After a time you say there was a modification in your tax: was that made after the Te Tipi Block was in dispute, when you recognized that probably you had no legal claim?—As soon as we found it was outside our boundary we asked for a rebate of taxation.

19. Was that a future rebate?—Yes, there was no rebate made on the past taxation.

20. You had been paying the taxation in the past?—Yes.
21. Right Hon. Sir J G Ward.] You paid land-tax and graduated land-tax prior to 1904?

22. Was that land-tax paid on 15,000,000 ft. plus the 21,000,000 ft.—that is the real point I want to know?—There is a little difficulty I require to explain. Up to about that time standing timber was never measured as it has been in recent years. About that date was the first time that the Crown actually measured its standing timber instead of estimating it by eye, and the timber-owners have been gradually adopting the same method since then. At that time I think we were assessed in a lump sum. Of course, the timber was not so valuable at the time of the last assessment prior to that date as it is now We were assessed on a lump sum. It is utterly impossible to prove that we paid on this timber or on that. The position was that we were assessed on the whole lot for, I think, £11,000. Then, when this mistake was discovered—I am only speaking from memory—when it was supposed to have been found that part of the timber was outside the block, a modification in the taxation was made. As a result of that, I think, the taxation figures were not changed at all; otherwise the taxation would have been increased, in view of the fact that we found there was more value of timber there than we had previously supposed. I think the old assessment was retained.

23. You did not know the actual quantity of timber in this area?—No.

24. The Chairman.] Supposing the Government was notified there was this increase of timber, it is not likely you would be charged any more. Perhaps that was the reason you were not notified to pay a higher amount !- In any case where we find there is a considerable discrepancy with the taxation Department—if we are sure of it—(we, of course, cannot afford to say anything merely because we think there is more timber than we are assessed upon), but if we are quite sure there is, say, ten or fifty per cent. more timber on a block than we thought—we tell the officers at once. I think the officers of the Valuation Department will bear me out in that. We frequently try to check the quantities, and if we find there is considerably more than we have assumed, we let them know

25. About what time was the purchase originally made?—In 1872

26. What was the first regulation as to when the timber would be cleared? Or was there any arrangement to that effect ?—It was a ninety-nine-years lease.

27 That would imply that there would be nothing done to the land for ninety-nine years?

We are quite prepared to surrender any vacant land we have cleared the timber from.

28. Mr Nicholson.] I wish to clear up one point: We do not contend that we had any lease over any portion over the dividing-range. We claim only up to the dividing-range. What do you value the timber at in the disputed portion?—From £17,000 to £20,000.

29. That is, the standing timber?—Yes.

Mr Nicholson. I would respectfully point out to the Committee as briefly as possible that I think we have by our petition fully established our claim for equitable consideration at the hands of the Government. There are only two parties concerned—the Crown and the company The Crown acquired the fee-simple of the two blocks with a full knowledge of the position that all timber up to the dividing-range was the company's. I might point out to the Committee that if this was a dispute between two private individuals, as to whether one man's land overlapped another man's, the matter could be easily adjusted by adjusting the boundary-lines. That being the case, I think the principle here is just the same. Where there is a bona fide mistake as to boundary-lines the Government should not take advantage of legal technicalities. I venture to submit that the proper solution would be for the Crown to admit that the survey-line was originally wrongly located, that the Crown had knowledge of the acquisition by the company of the timberrights, and that all taxation that has been waived since the matter came into dispute should be refunded to the Crown, with all interest. The company do not want to take advantage of any point. As to Mr Kensington's statement as to the question being one of Crown lands, we all assume that Parliament is paramount; that it is a Court of Appeal in which to assert rights and to ask for relief We come and ask the Government, if in their opinion we have established our equities, to give us relief and what we have asked in the petition. I leave the matter to the Committee, and I feel sure you will approach it in a fair and equitable spirit. I also thank you for the careful manner in which you have listened to what we have placed before you.

WILLIAM CHARLES KENSINGTON, Under-Secretary for Lands, examined. (No. 3.)

The Chairman We shall be glad to hear what you have to say with regard to this petition. Witness Mr Nicholson has stated very fairly the position of the Kauri Timber Company in this matter, but he has also pleaded very hard for the company on the facts as known to himself Now, we will just go back to 1872. I have here, in charge of the Clerk of Titles, a copy of the original deed of sale from the original Maori owners to Messrs. Stone and others. Attached to that deed is a tracing showing the land over which the timber-rights purported to be conveyed. That tracing agrees exactly with the plan laid before the Native Land Court, and upon which it

adjudicated; and, although it is true that the deed says "watershed," yet that copy of the plan was attached to the deed before the Native Land Court. Both the Waiwhakaurunga and Te Tipi were blocks that came before the Native Land Court. Now, a man may get a deed signed before the block goes before the Court, and that block might contain all the timber, but when the plan comes before the Court it may show that the block is bounded by lines. They might be marked or computed. In the Waiwhakaurunga Block the top lines are computed after the bearings were taken; therefore the plan which was before the Native Land Court is the plan upon which the title is issued. These lines agree exactly with the lines on the plan produced before the Native Land Court and of the compiled plan of the Te Tipi Block. Therefore, supposing you had a deed showing an area within the Te Tipi boundary before it went to the Native Land Court, it might not agree with the plan upon which the title was obtained. In this particular case I quite agree with Mr Nicholson-that is, in the deed upon which they are staking their case the watershed is mentioned. I also agree with him that since the question has been raised lately we have found that the north-eastern boundary of the Waiwhakaurunga Block is not the true watershed. Our surveyor agrees with his surveyor in defining the true watershed of the Waiwhakaurunga River as going slightly inside—that is, about 1,000 acres inside—the Te Tipi Block. Those are the facts of the case. Though these facts are admitted, and I also admit that the north-eastern boundary shown on the plan of the Waiwhakaurunga Block is not the true watershed, yet I maintain the Crown purchased on the plans certified to by the Court and the Chief Surveyor as an accurate plan of the Te Tipi and Waiwhakaurunga Blocks. These two blocks were before the Court, and the titles were ordered to be issued by the Court upon the plans as produced. boundary differs from the watershed boundary mentioned by Mr Nicholson. I see that a clerical error did creep into my memorandum. What I meant to say was that the Te Tipi Block was declared to be waste lands of the Crown in 1879, and the Waiwhakaurunga Block was subsequently declared, on the 10th July, 1879 Both of these blocks are Crown lands. The Te Tipi Block was purchased by the Crown absolutely unburdened by any leases. Now, the position is this: that we have all along looked upon the Waiwhakaurunga Block as having boundaries in accordance with the Native Land Court order If any question had arisen under which the Government wished to dispose of the timber through the Commissioner of Crown Lands, the whole question would have come up; but it is only comparatively lately that we have had applications for this timber. About three years ago we were about to sell this timber, then the Kauri Timber Company claimed the timber as having been within their watershed We now come to this phase of the position: We admit that the Native Land Court plan did not show the true watershed boundary, but we mainadmit that the Native hand Court plan did not show the true watershed boundary, but we maintain that the Crown purchased upon the plans produced before the Native Land Court, and the titles were issued according to these plans. When the company registers their title, the actual original plan deposited is certified to, and this is the plan upon which the title is issued. Their own agents certified, themselves, to the plan upon which the timber-purchase was made. That is the difficulty of the Crown in this matter. The Te Tipi Block is Crown land, and the Waiwhakaurunga Block is Crown land, but the Te Tipi Block was absolutely unburdened by any lease, while the Waiwhakaurunga Block is bundened. We connect absolutely claim the timber case, while the Waiwhakaurunga Block is burdened. We cannot absolutely claim the timber upon the Waiwhakaurunga Block until the expiration of the ninety-nine-years lease. Therefore the Crown is obliged to claim this timber on Te Tipi; they have an absolute conveyance of it: and that is the position to-day The Crown has purchased by definite plans in each case from the Court—which has the same effect as the Supreme Court—and the titles have issued on these plans. That it is not the true watershed we admit. I am quite sure that if the Crown had wanted to dispose of the timber some three or four years ago we should have proceeded to measure it outside the boundaries of the Waiwhakaurunga Block, as it passed through the Native Land Court.

1 Mr Nicholson.] Although the plan is attached to the deed, the north-eastern boundary was still shown as the dividing-range on that plan?—I do not think the words "Dividing Range" are marked on it.

2 I think they are. The same plan in the Survey Office shows the range marked as a range?—That is the plan on the copy of the deed of purchase. [Produced.] This plan shows the range marked. [Produced.] I should like to mention that the Committee must remember that, as the estate is vested in the Crown legally, it is quite a question whether we could look upon it other than as Crown land in the matter of disposing of the timber

Approximate Cost of Paper.—Preparation, not given; printing (1,500 copies), £3 17s.

By Authority: JOHN MACKAY, Government Printer, Wellington .-- 1910.

Price 6d.