

any recommendation—or a recommendation which does not allow Mr. Wallis to become a proprietor of these lands, instead of Mr. Massey—we might expect another inquiry next year. Is there to be no end to litigation? Are we, in face of the agreement, to come here year after year and to be again subjected to an inquiry as to whether these titles are in order or not? You have the opinions to which I have referred, and I do not think I am putting it too strongly when I say that those opinions are absolute in their form, and do not say the matter is doubtful. In the petition I note that some counsel is quoted as being of a different opinion. No name is given, and the only counsel's opinion that I have heard of, or that Mr. Massey has heard of, is one that it might be doubtful, and is a question to be decided by the Court. I emphasize again the very definite opinions that have been given, not only by Mr. Massey's advisers, but also by the Solicitor-General. Upon these we come to the agreement to cut out in eighteen years. I would just like to state briefly what Mr. Massey's holdings have been. He purchased the assets of the Pine Company when it went into liquidation. That company had an area of 16,220 acres. Mr. Massey shortly after his purchase abandoned 8,130 acres, and that left him 8,090 acres. As the result of the proceedings before the Land Board he had 1,550 acres taken from him, for which he had paid.

2. *Mr. Anderson.*] Not under the State Forests Regulations?—No. He had paid for these areas some years before, but the money was ultimately restored without any interest, so that the Government really had the benefit of the money he had paid for a number of years, without recompense. Taking away 1,550 acres, there were 6,540 left. Then we have cut out 3,481 acres, so that we still hold, not cut out, of what we acquired from the Pine Company, 3,059 acres. Mr. Massey also holds areas which he took up himself. 1,600 acres was what he took up, so that we hold altogether 5,081 acres. Now, at the present rate of cutting we anticipate that the whole of that area will be cut out within twelve years. We would be glad to cut it out in half that time if we could sell the timber, but the position with regard to the timber in Southland is that the market for it extends no further north than South Canterbury. The whole area of demand for it is from the Bluff to South Canterbury. Above that the West Coast timber comes in and competes. I think Mr. Richardson knows that that may be taken as substantially correct.

*Mr. Richardson:* Yes.

*Witness:* At all events the position is that the market for the Southland timber is not large enough for the timber to be cut out more rapidly than it is being cut out at present. One would assume, possibly, that Mr. Massey is the only sawmiller there, but there are seventy-two mills in Otago and Southland, of which four are in Otago, and Mr. Massey owns six out of the seventy-two. Owing to the working-out of the areas in one quarter he has erected a mill—after the last parliamentary proceedings took place, after his title was rearranged, and when he thought he was secure in doing so—he erected a new mill of large capacity—larger than any he previously held, but which I do not think even now can be worked to its full capacity, owing to the absence of demand for the timber. So that putting the matter generally it can be seen that although this 5,000 acres is held by Mr. Massey that fact does not restrict the supply of timber to the market, because it cannot be sold even if it were cut. He would be only too glad to find a market to absorb the timber speedily. Then, under the regulations the timber had to be paid for in cash—twelve years was the time—and the money was paid and has now been paid for twelve years. We have been out of our money for twelve years in respect of the whole of this area. That is unquestioned. We put our position strongly upon the right which one naturally looks upon as undoubted—namely, a Crown title where the consideration for it has been paid, where it has been the subject of a parliamentary inquiry, and where it has afterwards been the subject of an arrangement come to in good faith with the Government. We put it as a right to have a title so held protected from constant attack, and Mr. Massey respectfully suggests that the Committee ought to relieve him from further harassment, and give it as its opinion that a *bona fide* arrangement having been come to by the Government to shorten the period within which Mr. Massey was to cut out the timber that arrangement ought not to be disturbed.

3. *Mr. Nosworthy.*] With reference to this 1,600 acres which Mr. Massey holds, does the 6,540 acres of which you say 3,481 acres are cut out leave 3,059 acres?—Yes.

4. He holds 1,600 acres outside that—I am speaking of the first 1,600 acres?—Yes; worked down to 3,059—1,600 out of that.

5. What is that 1,600 acres?—It is held under license from the Crown.

6. You say with reference to this petition it seems to you to be an effort on behalf of Wallis to acquire what Mr. Massey has got?—He has been the protagonist in all these proceedings.

7. If the Government strip Mr. Massey of his property, is it likely that they would let the lands to Mr. Wallis?—Mr. Wallis would probably be the first applicant.

8. If one man is holding too much it is not likely they are going to give too much to another man?—There is such a thing as one man holding a large area, though not in one name.

9. Has not this petition come about through a feeling in Southland that successive Governments have been favourably disposed to Mr. Massey in granting areas of forest land: is not that the whole feeling?—I should say not. Successive Governments could hardly be charged with giving Mr. Massey special consideration, because these areas were not acquired by Mr. Massey in the first instance. They were acquired by Mr. Walter Guthrie when he and Sir Robert Stout were partners in the Pine Company, and it was when that Pine Company went into liquidation that Mr. Massey acquired those areas.

10. The Pine Company originally acquired them from the Government?—Yes. And if, as I say, in regard to the suggestion, one man would naturally get a certain area, and if one man has others associated with him no doubt applications would be made in individual names.

11. You say there are seventy-two sawmills in Southland?—Yes.

12. And out of those seventy-two sawmills seven are held by Mr. Massey?—Six.

13. What is the total acreage of the bush area held: what balance is there after taking Mr. Massey's six mills?—I cannot say. I believe Mr. Richardson can supply that information.