

14. *Mr. R. W. Smith.*] How long ago is it since Mr. Massey acquired those 1,600 acres?—In 1898. He abandoned 8,000-odd acres in 1899.

15. Was it offered for public competition at that time?—I think the Pine Company's areas were sold by the Bank of New Zealand when it went into liquidation. They had a great difficulty in disposing of it.

16. How long is it since he acquired the 1,600 acres in addition to the 3,059 he holds now?—They have been taken up at various times by Mr. Massey himself since 1898. They would generally consist of an area where one had a mill and tramway laid down and so-many acres worked out. It would be more convenient to get an area in the neighbourhood of the mill and tramway than to go elsewhere. It is not so costly taking up an adjoining area.

17. They were taken from the Crown, were they?—Yes.

18. I understood you to say that the whole of the royalties have been paid and that the last payment was made twelve years ago for twelve years?—The payments were in this way: before you could work 100 acres you had to pay for it. Under the regulation there was a limit of time within which all payments were to be made. In Mr. Massey's case it was twelve years. Before the twelve years elapsed he had paid for the whole.

19. In that case before he cut the bush out he had to pay for it in twelve years?—Yes, that was the reading of the regulations. He got two years for each 100 acres in the block.

20. Recently Mr. Massey had erected a large mill, and he could not cut up to the full capacity on account of no market for it?—Yes. That mill was completed only two or three months ago. We started cutting this month. It was put up when it was ascertained that our titles were arranged—after that.

21. *Mr. Anderson.*] There are two titles in this: there is one under the Crown and the other?—Yes, the areas purchased from the Pine Company.

22. You said Mr. Robinson was at Waimahaka?—Yes.

23. You said also that he had a mill and plenty of bush left?—In Kapuka, he has got bush there.

24. Would you be surprised to know he has none—that he has cut it all out?—Yes.

25. You stated that the Committee might infer that Mr. Wallis desired to get possession of the bush that Mr. Massey has?—Yes, we certainly inferred that.

26. Do you not know that he does not desire anything of the sort?—I would be surprised to know he is promoting it on public grounds.

27. But he has always asked for judicial inquiry?—Yes.

28. And asked it of the Supreme Court?—No. I did not know that until I saw this petition.

29. The petition of two years ago—that was the object—and he did get that judicial inquiry, and that was the reason he wanted to get it into the Court—to test the titles in the Court. You stated in the petition that certain legal gentlemen had given a different opinion?—I said that counsel had done so. I do not know whether it is one or more.

30. I think counsel is meant in the plural sense—that may mean singular or plural?—Yes.

31. Well, the petition shows he was advised by four or five lawyers that the titles had lapsed, and that was why he took the matter up?—I think that Mr. Wallis was the initiator of the proceedings before the Land Board three or four years ago. I did not know that he was armed with opinions then.

32. In this opinion of the Solicitor-General he says, in paragraph 9, "The regulations impose no limit of time on the cutting-out of the timber. The result is that the licensee has a reasonable time within which to do so. If he is guilty of unreasonable delay in cutting out, the license may be cancelled on due notice being given to him. This condition, though not expressed, must, in my opinion, be read into the regulations and licenses. During the course of the argument in the case of *Wallis v. Commissioner*, Mr. Justice Williams expresses this as his view. This applies both to the original area and to the reservations. The limit of two years for 100 acres applies only to the taking-up of the reserve and not to the cutting-out of the timber after the reserve has been taken up. This requirement of reasonable time is of a very vague and unsatisfactory nature, and if Massey's licenses are held valid or are allowed to remain on foot it may be well for the Department to consider the advisability of coming to some definite agreement with him as to limit of time within which the various areas must be utilised." You know of that?—Yes.

33. That is really on account of the new agreement being made?—The Government suggested that we should define a reasonable time. Now, a reasonable time in connection with the cutting-out would depend upon a variety of considerations which it would be impossible to forecast beforehand. One of the considerations would be, is there a market for the timber if it is cut? That is to say, it would depend upon whether a man could sell the timber if it were cut. So you would have to go into the question of what was a reasonable time under those circumstances. Taking the present output, the market, and so on, the chances are you might not have cut it out in eighteen years, though we hope to cut it out in twelve.

34. From 1886 to 1889—from then to the present time you think it is a reasonable time to hold all these areas?—I think so. There has been no complaint that the timber has been wanted.

35. Do you know that Mr. Massey has applied for and got other areas during that time?—I am not able to speak definitely about that. I have not been Mr. Massey's solicitor in this matter until very recently. I happen to be his attorney now.

36. Do you know Mr. Massey has got a grievance with the farmers in his district—to take their bush and that there is no limit of time in which he can cut it out?—No.

37. Do you think that the holding of 5,000 acres by one company in a small province like Southland is a fair thing?—I do. All you get in substitution is a number of small mills that do not pay, whereas where you work on a large scale you can put out timber more effectively and probably at lower rates.