

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-