

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.