

140. I was asking you about the Taupo bush: I want to get at what you consider the timber to be worth?—I cannot say. We are Crown tenants, or rather, tenants of the Wellington Land Board. I may say that we offered the Maoris at Hohotaka the same as we are giving to the Wellington Land Board, and could not deal with them.

141. You estimated your timber at something like 30,000 ft. or 40,000 ft. per acre of timber standing on it?—Yes.

142. That would not average 1s. all round?—No.

143. You do not think it would be unreasonable to estimate the output of timber on the Taupo Block at £28 an acre, valuing it by the royalty?—I should think not.

144. Do you think it is a righteous principle for the Government to make one law to invalidate another?—I do not, certainly.

145. Do you think it right if you enter into contracts, and make a very good bargain, that the Government should step in and invalidate your bargain?—No.

146. It is a mutual arrangement between two parties, and both parties are satisfied?—Yes. It is a very unusual thing. If we had broken the law it would be a different matter.

147. You would not have gone into the business if you had had any idea that the Government would legislate retrospectively without first going before the Court and proving you guilty of a grave offence?—No. I do not feel like a criminal at all. I feel more like a good colonist.

148. Would you have built your mill there if you had not felt sure of getting sufficient timber to recoup you for your outlay, and give you a reasonable profit?—No. It cost us about £10,000 to get our first log out at Mangapeehi.

149. What do you consider a reasonable margin between the wholesale and retail price of timber?—As I have said, we allowed 17½ per cent. in Auckland.

150. But if you were selling your whole output to anybody what would you consider a reasonable price, taking into consideration bad debts and loss in the timber?—We have not had any experience of that sort, but it would make a wonderful difference.

151. *Mr. Jennings.*] How does the land take the grass after the bush is felled?—The bulk of it is pumice country. It does take grass, but how long it would hold I do not know.

152. *Mr. Field.*] Do I understand you to say that in the case of the Mangawhero Block the Government were endeavouring to purchase land, timber and all, at 6s. an acre?—That is so. They did buy some adjoining, at 6s. an acre.

153. And you have paid the Natives in timber royalties alone over £6,000?—Yes. Of course, the Mangawhero Block is not entirely bush.

154. But what the Government was endeavouring to buy was part of this particular bush?—Yes.

155. What is the quality of the soil on that land?—It is very good land. Kahikatea swamp when drained is the best land in the country.

156. In making these contracts with the Natives were they fully advised, and did they understand the transactions?—They are fully advised by licensed interpreters.

157. Do they have pakeha or half-caste advisers who can explain to them what the timber is worth and the prices to be paid?—Yes. These things are not settled in one day, one week, or one month; the discussions are very full.

158. They have plenty of advisers well able to advise them?—Yes. A lot of them interested in the Hohotaka Block live in Hawke's Bay.

159. You were drawing a comparison between the timber royalties you are paying the Government as Crown tenants and the prices you are paying the Natives?—Yes.

160. Will you tell us the difference?—We pay 2s. for heart of totara; this is, of course, on sawn timber. We pay 1s. for the rest of the totara—for what is generally known as "O.B." timber (ordinary building).

161. And how do the prices you are paying the Government compare with what you are paying the Natives, taking into consideration the facilities you have for getting the timber out?—The Government timber is right on the side of the railway-line, and you can almost put the timber on the rails.

162. Then, you are paying the Natives really higher royalties than you are paying the Crown?—Yes; about 25 per cent. advance. It is 2s. on heart and 1s. on the rest of the log for totara to the Crown.

163. Some questions have been asked you as to the prices paid by the Taupo Timber Company for their land?—Yes.

164. I presume it is only fair to state that the difficulties the Taupo Timber Company have to overcome are very serious ones?—Yes; there are some fifty miles of tramway to lay.

165. That would, of course, detract a good deal from the value of the timber?—Yes.

166. *Mr. Remington.*] What price per acre did you pay, as far as you know, for the Crown timber on the area you had from the Crown?—I do not think I could answer that straight off.

167. Roughly speaking?—It would be absolutely guess-work. Of course, it is not actually finished. We are only able to cut the totara out. I should say, roughly, we paid £8 or £9 per acre. I may say it is a burnt bush. A bush-fire had been through it, and there was a good deal of waste through it. We have still a lot of timber there stacked. We do not pay the Government until we have sold the timber. They are very good terms, and we were quite satisfied with the Government, and we did not want to get away from them.

168. In your transactions in native timber have you had any dispute over the payment?—No.

169. They have had no occasion to complain because you were not paying sufficient royalty?—No.

170. They never expressed dissatisfaction because they considered the royalty paid was too small?—No. Of course, where there are a hundred owners in a block you may get little com-