

38. Log-measurement or sawn measurement?—Sawn measurement.

39. *Mr. Mander.*] Without any labour?—Yes, without any labour; and we also contract to allow the Natives to retain a one-third interest in the company.

40. *Hon. Mr. Carroll.*] That is to say, you take them into partnership?—Yes. They take up one-third of the shares in the company in order that they may, in addition to the royalties, participate in any profits the company may make.

41. *Mr. Hone Heke.*] Are those paid-up shares? No. They will contribute by devoting 20 per cent. of their royalties towards the payment of these shares until such shares are paid up. In order to work this bush we obtained from them two documents, one in which they propose to lease to the Native Council 640 acres, which the Council in turn will be asked to lease to the company, so that the company might have land for their own mills, plant, and so on; and under this contract we then pay the prices agreed upon for the timber growing on the remaining area of the block. I may say that the Natives greatly appreciate the terms we have made with them, which they declare are the best they have yet obtained. These royalties are, it must be admitted, high for a block of country in the interior of the island, and, in addition to the royalties, they become shareholders and participate with the company in any future value the timber may possess.

42. *Hon. Mr. Carroll.*] Before we get to the commenting stage, we just want to get the actual terms of the contract with the parties?—We covenant to pay the prices I have already given. We have the cutting-right deed, and an agreement in the same terms for dealing with the bush on the 640 acres in the block which it is proposed to place in the hands of the Maori Council.

43. So that the Maori Council can give to the company a valid lease of the land on which the sawmill and plant are to be erected?—Yes.

44. *Mr. Hone Heke.*] It is only for the purpose of obtaining a legal lease of the land?—Yes.

45. *Hon. Mr. Carroll.*] With regard to the second agreement for the 640 acres, the same schedule accords with the other agreement?—Yes.

46. You said that by a special contract with Te Heuheu you agree to give him £500, and on the completion of this agreement a further sum of £1,000?—Yes; two years after.

47. Have you contracted in similar or lesser degree with any other Native chief on the same land?—No.

48. This would be, of course, irrespective of what might be his share in royalties as an owner?—Yes.

49. He is an owner, is he not?—Yes; and is also a director of the company.

50. When do you think you will be able to start timber-sawing on this block?—We could start within six months. We could start at once to lay down the tramways and erect the mills.

51. When do you propose to do it?—So soon as we get a valid title from the Council for the 640 acres, and an additional area, such as set out in that second agreement, sufficient to warrant the expenditure of the capital necessary.

52. You do not expect to be able to take timber out of that bush until you have constructed a tramway to the railway?—That is so.

53. As a man of business and looking ahead, when do you think the railway will reach that point?—It has reached it now from Auckland; it has reached Taumarunui.

54. How far is the place from Taumarunui?—Six miles.

55. Then, all you have to do now is to make your tramway a distance of six miles to the railway, establish your plant, and start to work?—That is so.

56. Is your block adjoining that on which Mr. Ellis is cutting?—Yes. He is not actually cutting, but he expects to commence presently.

57. Will the same tramway that may be used by Mr. Ellis be used by you as well?—Yes; we propose to join.

58. Join together in making a tramway?—Yes.

59. When did you form your company for the purpose of securing these timber rights?—We registered the company three months ago; but, of course, the negotiations with the Chief Te Heuheu began over a year ago, or about a year ago.

60. After you start operations there do you undertake to pay the Natives their royalty as you cut the timber?—Yes, monthly.

61. Then, how do you make your deductions from what they have to receive to pay off their liabilities as shareholders?—We deduct 20 per cent. of the royalty.

62. Then, you pay them the royalty less 20 per cent. which you fund towards the payment of their shares in the company?—The basis upon which this company was formed was devised by themselves. That is why they are interested. From our point of view we would rather have been by ourselves, but we had to accede to their request.

63. The total area then involved in your agreements with the Native owners is—(1) The 6,000 acres in the Puketapu Block; and (2) the 640 acres?—Yes, cut out of the 6,000 acres.

64. That is, the land involved in your two agreements?—Yes.

65. *Mr. Jennings.*] Have you a mill at work at present?—No; our documents are only just completed and stamped, and until the land is vested in the Council and leased to us we cannot start.

66. Are you engaged in any other milling operations?—No.

67. Is the mill at Piriaka working?—I do not know.

68. Will you not bring this timber down to the bridge at Taumarunui?—Yes; we would ship it on the railway there.

69. That would to a very great extent do away with the tram-line?—No. It is six miles from the Taumarunui railway-bridge to the bush; and we cannot bring it down the river, because the bush is not growing on the Wanganui River, but on a tributary of it.