

87. *Mr. Hone Heke.*] What time are you speaking of?—1898 or 1899. I say positively that it would have been impossible—looking back to the position of timber as it stood then—to have obtained the money on a royalty basis, because royalty is paid on bushes more easily available and not requiring such great efforts to get the timber to market. I know that it would be a hopeless quest to seek capital for that bush on a royalty basis. Of course, people are apt to judge the matter now by the present condition of things, but when we took that bush up the timber was not in anything like the present demand, and if it were not for the tramway that we are putting in it would now be valueless, just as the bushes at Waimarino and Taumarunui would be valueless if it were not for the main trunk railway, so far as capitalists and timber-men are concerned. The capital could not be got except on the basis of constructing a line and taking a far-reaching view of the matter.

88. *Mr. Field.*] You know there has been inserted in the Maori Land Laws Amendment Bill a clause—clause 31—providing for the review of all contracts giving timber rights over Native lands?—I am told so.

89. This inquiry has not been made with a view to assailing your transaction, but in the course of consideration of the clause in question, and in taking evidence in connection with other people's dealings, it was suggested that you were getting a much better bargain than other sawmillers were. We have had it in evidence that people who have obtained bush very much closer than your bush are paying 2s. 3d. for totara, 1s. for matai, 8d. for rimu, and 4d. for kahikatea. Now, do you know enough about the subject to say whether those prices compare unfavourably with the price you are paying, or what do you say in answer to that question? Do you think you are getting a much better bargain than other sawmillers are?—No; I consider we have given enough, taking into consideration the cost of building this long tramway of fifty-one miles. On the other hand, judging from the general rates given, the prices you have named seem to be very fair.

90. *Mr. Harding.*] I understand that you have started work on the tramway?—Yes.

91. Are you laying down a horse-tramway, or rails sufficiently strong to carry an engine?—We are laying down a wooden tramway, but so graded and sleepers that we can convert it without any additional cost. Our bridges are all railway-bridges. Mr. James E. Fulton is our engineer, and his capacity is well known. We have laid the tram down in wood, but with a view to using steel rails as soon as it is possible to purchase them.

92. What about your curves; have they been considered too?—Yes; all the curves and grades have been taken into consideration, and we have imported a special engine. Our object is solely to get the timber out, and we recognise that unless the whole thing is done on economical lines we shall find ourselves in difficulties.

93. *Mr. Heke.*] You have already stated, in answer to a question, that your expenditure for the railway will be about £100,000?—Yes.

94. Does that include rolling-stock?—Yes; but that would not be very heavy relatively to the whole of the expenditure.

95. Would the £100,000 include the steel rails?—Yes.

96. And the formation of the line?—Yes.

97. With regard to the rolling-stock proper: is that included?—Yes; I think that amount might cover it. At present we shall have a 24-ton engine and twenty timber-wagons of an improved type.

98. To be safe, you make the estimate for the railway £150,000?—No; that is our total expenditure for everything—for the railway, property, and everything else.

99. Including the plant at the mills?—Yes.

100. Have you a plant at the mill working now?—Yes; cutting. We supply the contractors for the line with the necessary timber.

101. Can you give us any idea as to the output of the mill?—The mill is capable of cutting about 12,000,000 ft. a year, working with a double shift. The mill will be lighted with electricity, and is constructed with the greatest regard to economical handling; and we are in a position now, when the railway is through, to cut 10,000,000 or 12,000,000 ft. a year.

102. Is it in full working-order at the present time?—Yes; subject to being tuned up. The whole thing is there, but it will take a little time to get things into complete working-order.

103. Supposing the Putaruru-Litchfield line was built up to within two or three miles of where the bushes are being worked, what royalty would you be able to give?—I think the property would be worth about the same royalty as has been given on the main trunk line, speaking generally and without going into a calculation.

104. What proportion of bush is there on Grice's property—your freehold?—There are over 5,500 acres of milling-bush, but a portion of that does not contain much totara. It is matai and rimu, but of very good quality.

105. When you were negotiating with the Natives for the purchase of this timber lease were there any other Europeans keen enough to move about for the same purpose?—No; no one would look at it. There had been several men up there, the Natives told me, but they would not look at it—the difficulties were too great. They offered it to me at first for £1 an acre, and that induced me to go there.

106. When did you start to negotiate with the Natives about Taumarunui?—It was prior to the negotiations I have been speaking about.

107. Did you obtain the right over many blocks there?—I have agreements over a group of blocks around Taumarunui.

108. You said there were 5,500 acres of timber-area on your freehold?—Yes.

109. Does the line of railway run through that or alongside of it?—The freehold extends from the Waikato River to Taupo Lake, and the tram runs twelve miles or more south from the river through the freehold before it turns in towards the leasehold bushes.