

timber on the Mercury Bay side. That shows conclusively that up to quite recently the Crown considered that it held the timber on one side of the dividing-range, and that we held the timber on the other side. That is briefly the position. Amongst the documents I will produce is a certified copy of the original deed of grant of the timber rights deposited in the Land Transfer Office, Auckland. That office is not permitted to produce the original, but the certified copy will show that by the original written description of the Waiwhakaurunga Block the boundaries extended to the watershed range of the Waiwhakaurunga River, and the plan attached to this deed of grant showed that the north-eastern boundary of this block was the dividing-range (the words "Dividing Range" appearing thereon). I will also show by documents that the original deed of conveyance from the Natives of the fee-simple of this block was made particularly subject to this particular deed. Therefore the Crown, when it acquired the fee-simple of the Waiwhakaurunga Block, did so with the full knowledge and notice of the timber rights sold by the Natives. Coming to the acquisition of the Te Tipi Block, I will show by the evidence that the survey of the Te Tipi Block was not a survey made on the ground. It was a compilation survey made in the Survey Office from the surveys of the adjoining blocks, on the assumption that the surrounding boundaries were rightly located. I will show, too, that when the Crown acquired the Te Tipi Block from the same individuals from whom it had acquired the adjoining Waiwhakaurunga Block, it must have acquired it with the full knowledge that up to the watershed or dividing-range on the Thames side all the timber had been sold, and belonged to the timber-owners at the time mentioned in the deed of grant. Therefore I will venture to submit to the Committee that the Crown, being the same purchaser of both blocks, had prior notice when it acquired the adjoining Te Tipi Block—that all timber on the Thames side of the dividing-range had been disposed of to other parties. It is a very important point that the Crown had full notice when it acquired the Te Tipi Block that all timber on the Waiwhakaurunga Block up to the dividing-range had been previously sold to other individuals, whose interests subsequently became vested in the Kauri Timber Company. This particular block of timber is a valuable clump, and has always been considered as a reserve block. The secretary of the company will show in his evidence that the reasons which actuated the Kauri Timber Company in not disputing the Crown's claim to the land were that they never asserted any right to the timber over the dividing-range on the Mercury Bay side; and that, as it was concluded by them that the Te Tipi Block was on that side of the dividing-range, they naturally waived their claim to the timber on such block. There was nothing on the plans to suggest that the southern boundary of the Te Tipi Block overlapped the north-eastern boundary of the Waiwhakaurunga Block. Then, as all the Te Tipi Block belonged to the Crown, it was only right that allowance should be made for land-tax purposes, on the value of timber included in bushes growing up to the dividing-range, and that was duly made. It is admitted candidly to the Committee that the company did claim a reduction of taxation because of the assertion of the Crown's right to the timber on the Te Tipi Block, and this claim is referred to in the company's petition. The secretary of the company will be able to show that the reduction was made on the assumption that the Te Tipi Block was on the other side of the dividing-range, and that a portion of the timber on this block had been assessed as belonging to the company. It is only within the last few months that the true dividing-range has been rightly located. It has been checked by Mr Kensington, and found to be in the position claimed by the company. He puts it quite fairly in stating that, as the Te Tipi Block is Crown land, he must assert his claim to the timber. What I desire to point out in this connection is that we have not slept on our rights for the last twenty years. During the twenty years prior to 1904 the timber had always been considered to be ours, and no claim adverse to ours had ever been made. We claimed exemption of taxation only from the year 1904, when the Crown first asserted the timber belonged to it.

*The Chairman* You had abandoned it up to that time?

*Witness:* No, it had never been disputed up to 1904 that it was absolutely our timber; but when the Ranger about that time pointed out that some of the timber was on the Te Tipi Block, both parties started to look into the position. I submit that when you hear the evidence you will see that the true solution of the difficulty is this: that, the dividing-range having been wrongly fixed, it is only equitable that the Crown should waive its claim to timber it had never acquired; and, on the Committee or Parliament being satisfied that the timber equitably belongs to the company, the latter should pay to the Crown any taxation that has been waived pending the ultimate solution of the difficulty. We do not wish to get out of the payment of any taxation. The reduction in taxation was claimed under a mistake as to the true position, which was only definitely ascertained a few months ago. We have not slept on our rights, because up to 1904 the timber was supposed to rightly belong to us, and it is only since that time there has been any question of title. It is a matter which I think the Committee will agree is to be decided mainly by documentary evidence. That being so, I would ask you to kindly hear the secretary of the Kauri Timber Company, and to look at the documents that will be produced, to establish the company's case, and then to allow me an opportunity to comment on the evidence when the same is concluded.

STANLEY MILROY, Secretary of the Kauri Timber Company (Limited), examined. (No. 2)

1 *Mr Nicholson.*] You are secretary of the Kauri Timber Company, and are acquainted with the position relative to the claim for timber on the Waiwhakaurunga Block?—Yes.

2 You put in this original deed of grant forming your company's title to the timber on the Waiwhakaurunga Block, with the plan attached?—Yes.

3 I believe that in this deed of grant your north-eastern boundary of the block of land acquired by the company is shown?—Yes.

4. You also put in a certified copy of the certificate of title of the grant of the Waiwhakaurunga Block?—Yes.

5. That shows that the north-eastern boundary is the goldfields boundary?—Yes.