

6. The goldfields boundary is proclaimed to be the source of the Waiwhakaurunga River, which is at the watershed range; so the goldfields boundary has been wrongly located as well as the Waiwhakaurunga Range. You put this document in as a copy of the proclamation. [Produced.] I believe the company have also had prepared plans showing on a large scale the position of the main watershed range, as defined in the certificate?—Yes. [Produced.]

7. For the information of the Committee I have a plan prepared by Mr. Mountain, showing the position of the watershed range, which has been marked by Mr. Kensington as correct. [Produced, and marked "E."] (To witness): This plan has been prepared showing the goldfields boundary as proclaimed [produced, and marked "F"]?—Yes. (To the Committee): I will endeavour to confine myself to those points which Mr. Nicholson has specially asked me to deal with, more particularly as to why the Kauri Timber Company had not previously made a definite claim to this timber. Up to 1904 we had no possible means of ascertaining that we did not own the whole of the timber up to the range. I am quite sure every officer in the Lands Department thought with us that our timber went up to the dividing-range. It was a matter of common knowledge with all of us. The first we heard of any question on the subject was when one of our bush inspectors, who was roughly estimating the timber on the block, came across a bushman who said it was somewhat doubtful whether the timber we thought was ours really belonged to us, and our bush inspector said we had better send up a surveyor. We instructed a surveyor to survey the part of the boundary in question, and he went to the Land Transfer Office and got the description there. After making the survey he came back and reported that a large quantity of the timber was not on our block—it was not on the Waiwhakaurunga Block. I said, "Are you quite sure of your boundaries?" He said, "I am quite sure: I got them from the Land Transfer Office." I then looked at the official maps of the block and saw that the lines as taken by our surveyor had "Dividing Range" written along them. I said, "That settles it: the timber is on the Te Tipi side of the range, and therefore belongs to the Crown." The only thing is that it is rather hard on us that we have been paying taxation and graduated tax upon it. We had a modification made in the assessment for taxation by reason of our having lost that timber. It was only in 1908, when we were having a careful measurement of the timber made (in recent years timber-owners have measurements made instead of estimating it), that our principal measurer said, "What about that timber standing up at the head of the Waiwhakaurunga?" I could not quite understand him. I said, "If it is within the boundary, measure it." He said, "I mean, outside the boundary-line, between the boundary-line laid down by Mr. Ward (our surveyor) and the watershed." I said, "Is there any timber between the boundary-line and the watershed?" and he said "Yes." That was the first time the company knew what had happened. On consulting our original deed we found that we had purchased all the timber up to the watershed. We sent a surveyor (Mr. Mountain) to survey that part of the boundary as described in the deed. When instructing Mr. Mountain I said, "You are required to define that boundary as described in our deed." The result is as shown on his plan, marked "E." Recently, when the departmental officers sought to stop us from measuring the timber, and asked us why we were measuring it, we said we were measuring it because it was our timber. They said it was on the Te Tipi Block. From our point of view we did not think it mattered what block it was on. We had registered our timber on the Waiwhakaurunga Block, but personally I do not know what steps we could have taken to register our title to the part of the timber which proves to be on the Te Tipi Block, because the Te Tipi Block is not registered. We have operated on the block, estimated the timber upon it, and so on, up to 1904, when the question became doubtful. Up to 1909 the Crown never definitely asserted any right in the timber as far as we are aware.

8. *Mr. Witty*] You admit there was no lease with regard to Te Tipi?—That is so. The timber was bought for our predecessors by a Native agent named Mackay, and while he was buying this timber and other timber within the Thames district he was approached by the Crown to acquire land in the same district. He replied to the Hon. Mr. Ormond, who was dealing with the subject on behalf of the Crown, that he would be very pleased to buy land, but at present he was negotiating for timber, and he must be sure that the timber rights of his clients would be respected. Mr. Ormond said their rights, both legal and moral, would be protected. Mackay then bought the lands for the Crown subject to the timber rights. When buying the Waiwhakaurunga Block for the Crown he instructed a surveyor to survey the boundary round the watershed range. The surveyor, finding the country rough and difficult to traverse, ran a line across the easier country taking shots at conspicuous points on what he thought was the dividing-range in order to fix its position by triangulation, but manifestly the points referred to were not on the true dividing-range. It did not matter much to the Crown that he made a mistake, because the Crown was buying at so-much per acre, so that a thousand acres more or less to the Crown did not make much difference. Those were the conditions on which the block was purchased. The timber, however, was bought in the mass—so much for the lot.

9. *The Chairman.*] You admit there was no lease with regard to the Te Tipi Block?—No.

10. And the former lessees had their lease according to the plan irrespective of the watershed to go by?—Yes.

11. From them you acquired it?—Yes. They always had the plan.

12. There was no lease between that and the goldfields country?—That is so. They were under the impression that they went to the watershed range. Looking at these lines, no man, even if he was an expert, would think they were anywhere but along the watershed range.

13. I think Mr. Mackay would know?—Possibly he might. He states that he went round these ranges with some of the original Native owners, and they said, "This is the water that flows into the Mercury Bay, and that is the water that flows into the Waiwhakaurunga."

14. You admit that you have no legal right?—We have waived our legal right. We did not pursue the question very far, because it is obvious that any legal proceedings would be of a stupendous nature.