15. It might involve a loss of £20,000?—There might be somewhere about ten extensive law suits, and we should have to win the whole of them. If by any technicality we failed in one of those law suits, we should have lost our case. We should be for years in apparent antagonism to the Government, and I doubt whether we could afford to be in that position even for £20,000.

16. *Mr Lang.*] In your deed it was stated that the watershed was the boundary?—Yes.

17. And by the plan of your deeds you could not tell whether it was the part marked red or green?—No.

18. After a time you say there was a modification in your tax: was that made after the Te Tipi Block was in dispute, when you recognized that probably you had no legal claim?—As soon as we found it was outside our boundary we asked for a rebate of taxation.

19. Was that a future rebate?—Yes, there was no rebate made on the past taxation.

20. You had been paying the taxation in the past?—Yes.

21. *Right Hon. Sir J. G. Ward.*] You paid land-tax and graduated land-tax prior to 1904?—Yes.

22. Was that land-tax paid on 15,000,000 ft. plus the 21,000,000 ft.—that is the real point I want to know?—There is a little difficulty I require to explain. Up to about that time standing timber was never measured as it has been in recent years. About that date was the first time that the Crown actually measured its standing timber instead of estimating it by eye, and the timber-owners have been gradually adopting the same method since then. At that time I think we were assessed in a lump sum. Of course, the timber was not so valuable at the time of the last assessment prior to that date as it is now. We were assessed on a lump sum. It is utterly impossible to prove that we paid on this timber or on that. The position was that we were assessed on the whole lot for, I think, £11,000. Then, when this mistake was discovered—I am only speaking from memory—when it was supposed to have been found that part of the timber was outside the block, a modification in the taxation was made. As a result of that, I think, the taxation figures were not changed at all; otherwise the taxation would have been increased, in view of the fact that we found there was more value of timber there than we had previously supposed. I think the old assessment was retained.

23. You did not know the actual quantity of timber in this area?—No.

24. *The Chairman.*] Supposing the Government was notified there was this increase of timber, it is not likely you would be charged any more. Perhaps that was the reason you were not notified to pay a higher amount?—In any case where we find there is a considerable discrepancy with the taxation Department—if we are sure of it—(we, of course, cannot afford to say anything merely because we think there is more timber than we are assessed upon), but if we are quite sure there is, say, ten or fifty per cent. more timber on a block than we thought—we tell the officers at once. I think the officers of the Valuation Department will bear me out in that. We frequently try to check the quantities, and if we find there is considerably more than we have assumed, we let them know.

25. About what time was the purchase originally made?—In 1872.

26. What was the first regulation as to when the timber would be cleared? Or was there any arrangement to that effect?—It was a ninety-nine-years lease.

27. That would imply that there would be nothing done to the land for ninety-nine years? We are quite prepared to surrender any vacant land we have cleared the timber from.

28. *Mr Nicholson.*] I wish to clear up one point: We do not contend that we had any lease over any portion over the dividing-range. We claim only up to the dividing-range. What do you value the timber at in the disputed portion?—From £17,000 to £20,000.

29. That is, the standing timber?—Yes.

Mr Nicholson. I would respectfully point out to the Committee as briefly as possible that I think we have by our petition fully established our claim for equitable consideration at the hands of the Government. There are only two parties concerned—the Crown and the company. The Crown acquired the fee-simple of the two blocks with a full knowledge of the position that all timber up to the dividing-range was the company's. I might point out to the Committee that if this was a dispute between two private individuals, as to whether one man's land overlapped another man's, the matter could be easily adjusted by adjusting the boundary-lines. That being the case, I think the principle here is just the same. Where there is a *bona fide* mistake as to boundary-lines the Government should not take advantage of legal technicalities. I venture to submit that the proper solution would be for the Crown to admit that the survey-line was originally wrongly located, that the Crown had knowledge of the acquisition by the company of the timber-rights, and that all taxation that has been waived since the matter came into dispute should be refunded to the Crown, with all interest. The company do not want to take advantage of any point. As to Mr Kensington's statement as to the question being one of Crown lands, we all assume that Parliament is paramount; that it is a Court of Appeal in which to assert rights and to ask for relief. We come and ask the Government, if in their opinion we have established our equities, to give us relief and what we have asked in the petition. I leave the matter to the Committee, and I feel sure you will approach it in a fair and equitable spirit. I also thank you for the careful manner in which you have listened to what we have placed before you.

WILLIAM CHARLES KENSINGTON, Under-Secretary for Lands, examined. (No. 3.)

The Chairman. We shall be glad to hear what you have to say with regard to this petition.

Witness. Mr Nicholson has stated very fairly the position of the Kauri Timber Company in this matter, but he has also pleaded very hard for the company on the facts as known to himself. Now, we will just go back to 1872. I have here, in charge of the Clerk of Titles, a copy of the original deed of sale from the original Maori owners to Messrs. Stone and others. Attached to that deed is a tracing showing the land over which the timber-rights purported to be conveyed. That tracing agrees exactly with the plan laid before the Native Land Court, and upon which it