Co. Now, what I wish to be borne in mind is this: We have tentatively gone through the proposals of the Duncan syndicate as placed before you by Mr. Grace this morning, and the proposals they have put to us in regard to our position as creditor we have, to an extent, approved: that is to say, that of the sums of money that I have mentioned to you we are prepared to cut off 20 per cent. of their face value. That is the amount of money that we are prepared to throw away if they will carry out their proposition. I would request that, in consideration of that position, and of the carrying-out of these proposals, the company finding a certain amount of cash and relieving us of certain of our obligations, that you facilitate the carrying-out of the company's proposal. It is not for me to say what otherwise may happen, but that is the position. As the representative of the Egmont Box Co.—which is a creditor of the Tongariro Timber Co.—I would ask your Committee to give that proposal your consideration. We have a mortgage over the railway rights, which are the private property of the Tongariro Timber Co.

The Chairman.] In the event of the Tongariro Timber Co.'s rights being cancelled, would that affect the title you have referred to?

Mr. Hampson: No; it is freehold.

Witness: This railway route is practically the route of ingress and egress for the Egmont Box Co. across the river, and the facilities proposed to be given to this company to carry out their proposals would also give us facilities to carry on our work. We have approved these proposals, and I hope that you will do your best to see that we are protected.

Captain Rushworth.] The position then is that the Egmont Box Co. stands to save something from the wreck if this venture materializes?—That is so.

But supposing the alternative is adopted and the Tongariro Co.'s rights are extinguished, what is the position of your company then; has your company any rights apart from the rights of the Tongariro Timber Co.?—We may have some rights under the special legislation that was put through in 1918, but just how far those rights go I would not like to say. I am sorry that through having such short notice of this meeting I was not able to bring down my office solicitor.

Are you satisfied that it is in the interests of the Egmont Box Co. that this project should go through?—Yes, we have considered it in every way; that is why we have approved tentatively of it.

Mr. O'Brien.] What do you consider is the total value of the Egmont Box Co.'s interests in the Tongariro Timber Co.'s concessions?—The total value of our interests is the amount of work and material that we have put into the construction of the railway-line leading to their block.

But you have not the total value of your interest in the concessions?—That we put down at £23,000.

Plus the work done on the railway-line?—No.

That is the value of your total interest?—Yes, except in Western A area, where we have 26,000 debentures.

Making £49,000 all told?—Yes.

You were guarantors of the £26,000?—Yes.

Mr. Martin.] You feel, Mr. Murdoch, that the interests of the company would be safeguarded better by the financing of this Duncan syndicate proposal?—I feel that, under the Tongariro Timber Co., and after the many years we have been with them, we never know whether they are going to live to see it out, and we feel that with this Duncan proposal, as far as we understand it, coming to a head within a reasonable period, we see that something is to be got out of the business which is more satisfactory than we have had before.

Are you satisfied that in the event of cancellation all your rights and interests would go?—No, I do not say that they go at all: that is a question.

You said that the Egmont Box Co. had paid approximately £10,000 in royalties?—That is in connection with the timber we have cut. We have cut out timber to the extent of £10,000. We paid them £15,000. The rest is the mortgage from Mr. Bertram Phillips, of England, as he is the present holder of the Western A Block.

Mr. O'Brien.] If this syndicate's proposal goes down, there is nothing to stop another one starting in six months' time?—It would take the same period to eventuate as this company took.

Mr. Martin.] Is that not a case of "Better the devil you know than the devil you don't know?" —There is quite a lot of truth in that.

The Chairman.] The interest of your company amounts to £50,000 at the present time?—Yes. The first portion I mentioned was absolutely developmental work; the rest is debentures used by the company for paying royalties.

But your company is a purely developmental company for the utilization of material for the purposes of the industry in which you are interested?—That is so, entirely.

And at the present time you have a sense of insecurity?—Yes.

And you are willing to fall into line with the proposals brought forward, on account of the stability which you expect to derive from those proposals?—Yes, that is so.

Assuming that that stability could be obtained by any other course, you would be equally well satisfied?—Quite so.

Captain Rushworth.] That £23,000 has to be reduced to £18,000?—Yes.

The Chairman.] You are going to sacrifice that 20 per cent. in order to secure that stability?—Yes, that is our position.

Mr. Hampson (to witness).] There is one question I want to put to you, Mr. Murdoch. Realizing, as I am sure you do, that the proposal now suggested means that the Natives are prepared to postpone their interest in profits behind the debentures you are to get, are you prepared to undertake that in the event of the company not carrying out its obligations within the six months—to undertake on behalf of your company that you will make no claim on the Natives or their interests?—No, I am not prepared to make any such undertaking.