

Has there been any new capital?—No, nothing at all.

Nothing at all?—No.

Have you had no royalties outside the amount which has been paid by the Egmont Box Co.?—No, nothing. There has been a small amount received for totara posts only—a very small amount—£150 at the outside.

That is all you have had outside of what has been paid by the Egmont Box Co.?—That is all.

Can we get a copy of the Trading Account, and the Profit and Loss Account, and the Balance-sheet?—Yes; Mr. Ross, the secretary of the company, can supply that.

Mr. O'Brien.] Would the shareholders be satisfied if they get their money back?—Yes. But I should mention this: Of that £25,000 Mr. Atkinson was to get a share for every share issued, as promoter of the company, and remuneration for his services. So that the actual amount is £50,000 including his shares.

Mr. Howard.] Where did that money come from that was paid in royalties?—Well, the first amount was paid out of the subscribed capital, and then the rest was raised in London by Dr. Chapple. Mr. Bertram Phillips paid some.

Mr. O'Brien.] Can you give us the whole of the receipts and expenditure of the company?—Yes, certainly.

You will supply that to this Committee?—Yes, we will do that.

Mr. W. H. Grace: May I be permitted to say that the Tongariro Co. has done no business. It has done nothing.

Mr. O'Brien: Has it not paid out over £53,000?

Mr. W. H. Grace: Yes, it has paid that to the Natives for royalties.

CAMILLE MICHEL Malfroy examined. (No. 7.)

Witness: My name is Camille Michel Malfroy. I am a marine engineer, and have had active experience in sawmilling and the timber business for over twenty-five years. I have been Milling Expert for the State Forest Service for the last eight years. The Tongariro timber concessions are unique because they contain a very large percentage of totara and matai, approximately 60 per cent. being of these species, and only about 25 per cent. of the total is of the rimu species, which is the general building-timber of the Dominion and represents 58 per cent. of the total production for last year. The statement in the State Forest Service report that existing sawmills were capable of increasing their output by 100 per cent. is correct as it applies to the whole Dominion, but it must not be construed to apply to individual localities which can only be supplied economically by timber produced in that locality. The production in Westland could be doubled, but transport charges would prohibit Westland timber, which is practically all rimu, from being used in the North Island except at main ports. The standing timber available in the North Island Main Trunk region is certainly limited, and the following is an estimate of the life of some twenty mills in this region:—

					Feet per Annum.
Total present cut (twenty mills), Main Trunk	..	..	..	..	32,500,000
Cutting out in—					
1 year (four mills cutting)	..	..	..	..	6,500,000
2 years (one mill cutting)	..	..	..	..	1,000,000
3 years (one mill cutting)	..	..	..	..	2,000,000
4 years (one mill cutting)	..	..	..	..	2,000,000
5 years (one mill cutting)	..	..	..	..	1,500,000
5 years and under	..	..	..	..	13,000,000
10 years and under (eight mills)	..	..	..	..	11,500,000
10 years and under	..	..	..	..	24,500,000
15 years and under (four mills)	..	..	..	..	8,000,000
15 years and under	..	..	..	..	32,500,000

90 per cent. of the total production of totara timber is confined to a few operators in the King-country, and 84 per cent. of the production of matai is also confined to the Main Trunk sawmills. There is no totara or matai worth mentioning in the South Island. In regard to totara and matai, both these species have been gradually receding from the market during the last five years. Totara was used in 1923 to the extent of 21 million feet, and in 1928 only 11 million feet was consumed, a falling-off of 47.6 per cent. Matai was used to the extent of 25 million feet in 1922, and in 1928 only 15 million feet found a market, a drop of 40 per cent. It may be said that the drop in consumption was caused by shortage of supply. Well, that may have some bearing on it, but the main cause is that the price of clean totara in Wellington yard is 74s., while imported redwood is 56s. in the same yard, a difference of 18s. per hundred feet in favour of redwood. The price of matai weatherboards ex Wellington yard is 57s., while imported redwood and cedar weatherboards are sold at from 43s. to 45s., or 12s. to 14s. in favour of the imported timber. Despite this great difference in the same price the imported redwood is dry—in many cases kiln-dried—when it is imported, and this gives it a big advantage over the local article. The imports of redwood have increased. In 1926 the total was 3,500,000 ft., in