

to negotiate for the sale of it. That evidence, however, I think you can get in a more direct and satisfactory way from other quarters; but the information given to me was that the average cost on the whole of the timber on that endowment was to be 1s. 5½d. to 1s. 7½d.

66. That would be a distance of two miles and a half?—No, the average distance is nothing like so far as that. The Mangatu timber is close by.

67. Do you estimate that there is 12,000,000ft. up the Mangatu?—We have been informed there are ten or twelve millions up that gorge. I cannot speak of my own knowledge. I am only telling you of the estimates we have received. The distance of the kauri could be estimated on the map. I think you are overestimating it.

68. *Mr. Monk.*] I may ask if you are thinking only of the portion that is in the endowment, while I am estimating it over the whole of the timber that is to come out on that line; and in that case I believe I am rather underestimating the distance at an average of two miles and a half?—I think Mr. Matthews would be able to tell you more about it. I have not seen the document. I believe the 1s. 5½d. to 1s. 7½d. included the loading on to the trucks on the railway-line. Of course, I do not profess to know half as much as Mr. Monk does as to dealing with timber. I merely tell you as a fact that these men offered to take the timber out at 1s. 5½d. to 1s. 7½d. per 100ft., and that Mr. Campbell's estimate was 1s. 5½d.

69. I think you are aware that contracts which Mr. Campbell let for nearly double that money and for shorter distances on behalf of the Sash and Door Company resulted in a loss to the company, and I ask you to consider what greater advantage the present times offer, and in a country which is very rough, that could make it possible for you to recommend the Commission to believe that it can be brought down for 1s. 5½d., with the present price of 4d. for cross-cutting?—The falling and cross-cutting is done for far less nowadays, also the hauling.

70. It used to be 5d. at one time?—A great deal depends upon the quantity of timber to come out; and if a man has to take out scattered timber, and a road to make for every few trees, the rate is then much higher than for a huge mass of kauri trees in one particular locality. But, as I said, I am not giving an opinion as to what the bush may be brought down for, but am merely stating a fact. And Mr. Barstow will no doubt be able to produce to you the written report of Mr. Norman Campbell that the cost would be 1s. 5½d.; and I think Mr. Matthews made some sort of conditional contract with Mr. Richard Mitchelson and others for taking out the whole of that timber and putting it on the trucks.

71. You mentioned as a fact that the timber is in one huge bulk. Now, there is one main patch, but as a fact it is particularly scattered, and there are a great number of bushes that are separated by ravines and gullies from the line of approach to the terminus—I am speaking now from personal observation?—I am speaking of the one large clump of timber.

72. What quantity do you estimate is in that large clump?—We have had it estimated at 30,000,000ft.

73. You have had information which makes you think it was very much overestimated?—We have had information which makes us believe that, instead of from 80,000,000ft. to 100,000,000ft., 50,000,000ft. or 60,000,000ft. would be nearer the mark—that is, in the whole of the 39,000 acres reserved, from out of which the company was to select an endowment.

*Mr. Monk:* We have seen the country ourselves.

*Mr. Dargaville:* I am aware of that. I believe Mr. Fulton is still of opinion that a cheap line, suitable for hauling out timber, having its station in the paddock at the foot of the Church Hill, and utilising the then existing public wharf in Dargaville, could have been constructed for £59,000 or thereabouts; but the directors of the company were so satisfied with the prospects of the railway that they resolved to construct a line in every respect up to the standard of the best Government lines. This they have so far done. In the times referred to by Mr. Monk the falling and cross-cutting of kauri used to cost 5d., and even 5½d., per 100ft., and the practice was either to roll the logs out by means of timber-jacks or to construct a tramway to each clump of kauri of sufficient quantity: now the cost of falling and cross-cutting is 3d. to 3½d. per 100ft., and logs are placed on "catamarans" (large sleighs) and hauled out by bullocks at a cost of less than half what the old system used to cost. This, and the fact that dams can be used with advantage, may account for the great difference between Mr. Monk's estimate of the probable cost of taking out the timber and that of other experts. Another difficulty that the company found it impossible to get over in the attempt to sell their endowments was the high prices put upon the land by the valuers and the fact that the Government were selling land close by upon the deferred-payment system at from one-third to one-fourth of the minimum price the railway company was restricted to by the terms of their contract with the Crown.

Mr. FREDERICK WILLIAM MATTHEWS, Mill-owner, Mangawhare, examined.

74. *The Chairman.*] Of course you know that this Commission is inquiring into the position of the Kaihu Railway Company, and as to its future prospects, more particularly in regard to the kauri timber. We have seen your name in connection with the enterprise, and we thought we would like to ask you a few questions. You have been over the ground?—Yes.

75. Do you think that it is likely that the kauri timber could be brought down from those bushes to the trucks at the end of Fallon's contract, and then brought down to the mills by train, as cheaply as timber could be floated down to the river from other places where it is obtainable in the Wairoa?—Well, much depends on the price the railway will fix on it for carriage.

*Mr. Macarthur:* Let us take 1s. as the standard.

76. *The Chairman.*] Assuming it to be 1s., you know the end portion of the contract, where the ford is?—Yes, I know the place.

77. What do you think would be the cost of bringing kauri timber round there, two or three miles, to that point, per 100ft.?—Well, if you take the whole of the endowment—and I presume the endowment includes all that forest at the back?