

as we wanted it; and if we found that the water would not allow us to do so we could take a tram.

99. In that case, to what extent do you think you would diminish the value?—Twenty per cent. If timber is stored waiting for freshes the loss is 33 per cent.

100. Fully that, would it not?—Yes; I think 20 per cent. would be about it. I would like to say, with regard to timber estimates, that the bushes invariably turn out more than the estimates if the estimate is done fairly in the rough. I estimated the quantity of kauri timber in the endowment at 50,000,000ft. I believe that to be a safe estimate, because other estimates made similarly have turned out to be slightly below the actual quantity produced from the bushes.

101. I think the Chairman has a wrong impression—viz., that cheap timber is becoming scarce: is there not still a sufficient supply of timber in the Wairoa and tributaries for the mills?—Yes; and there is a quantity of timber that could be brought from the Mongonui and Puhupuhi to supply that.

102. *The Chairman.*] At a greater cost than at present?—Not so very much. Contracts are being taken cheaper every year; they are much cheaper than they were years ago. Provisions are cheaper, also means of transit, &c.

103. *Mr. Macarthur.*] Have you ever considered the practicability of putting up light mills at the bush itself, and sending the cut timber down by rail?—Yes; that was one idea of ours.

104. But you were speaking of the point down at the junction?—Yes; the bush would have been inaccessible to the railway, and we did not go into the cost.

105. Where do you get your supply from?—I fetch my supplies about seventy or eighty miles up the Mangonui, with its tributary, and the Wairoa. It comes from the Marereta and other blocks. There are about 7,000,000ft. to come down there to be delivered to my mill.

106. Is that a contract?—Yes.

107. What is the price of that?—That is costing much more than the railway company would charge. I have to compete against my neighbours, and that raises the price of timber.

108. Still you think there is a large amount of timber to be got at 3s., exclusive of royalty?—Oh, yes!

109. *Mr. Macarthur.*] About the proposal you had with the Kaihu Valley Company. Had you any one ready to take it up when it fell through, owing to the action of the Kauri Timber Company?—I had it mostly arranged, but it was not fixed up; their action stopped us dealing with it at all.

110. Would there be any chance of a renewal of such an offer?—I do not think so just now.

111. Even if the difficulties were out of the way?—I think not.

112. Supposing the Government were in a position to deal with the timber, do you think there would be any chance of working it immediately?—I think there would in time. I think it would take six months. Much depends on the money-market in Melbourne and Sydney. I had got £12,000 in Sydney subscribed towards it. It was about the time of the land-boom. Several gentlemen told me that if I had been there a little sooner they would have taken the thing up. If it was offered to any one as a whole they would want fourteen years to work it, and I do not think you would get a company to work it. Fourteen years would mean a little over three million and a half a year; that would be a small thing for the railway.

113. *Mr. Monk.*] What royalty would be given to the Kaihu Company for it?—1s. carriage and 1s. royalty—that is, the company would get 2s.

114. And it would cost 1s. 6d. to bring it to the booms at Waima Junction?—We were to pay £24,000 up to sixty million, or any lesser quantity. They estimated it at sixty million; our estimate was fifty million. Then there was an agreement to pay 6d. on the production over sixty million.

115. *The Chairman.*] Do you think there would be any danger of the bush being destroyed by fire if the gum-diggers were allowed in it?—There is always a risk of kauri being destroyed by fire. With several parties there, of course the danger would be considerable. I think the operations of the gum-diggers should be confined to the winter season. There is nothing to hinder them from putting a match to the dry kauri.

116. *Mr. Macarthur.*] If the timber was to be cut up into blocks it would be got out much quicker than letting it to one company, because in getting it in blocks like that you could tie any man down to getting it out in five years or so?—Yes. The chances are, if you did, the railway would be utilised for the whole of it.

117. Do you think bullocks could not draw it out?—These men would join and tram it out, and care would have to be taken that rights-of-way were reserved through each other's blocks.

118. Would the Government be able to obtain a sufficient guarantee from these people that they would clean the blocks out?—Yes; it would be to their advantage to clean it up.

119. Is there any chance of getting the money paid down to begin with?—No; the capital is not here.

120. Would the Government or the purchaser take the risk of fire?—The purchaser would take the risk of fire.

121. Suppose the man take the risk, and he was not a man of substance?—Well, the fire does not burn the bush right out. But it should be worked out at once, before the fire has had time to take effect and the worms penetrate it and make it worthless, which will be in about nine months.

122. *The Chairman.*] To what purpose could the land be put after the kauri is taken off?—Well, I do not know. I have never thought of it. I suppose the timber is the great thing, and the gum coming down from that district. I suppose the line could be used to open up the Hokianga, or turned round towards the Mangakahia.

Mr. EDWIN HENRY HARDY examined.

123. *The Chairman.*] You are the Government Surveyor over the Kaipara District, Mr. Hardy?—Over the Wairoa North District.