

795. But there is plenty of kahikatea all over the colony?—Yes, but not all lying in place convenient for transport.

796. You have taken a sanguine view of the timber prospects of the Coast for many years, have you not?—Yes.

797. I remind you that in the prospectus for the debenture-holders you were the author of the statement that there were 91,000 acres upon which a profit could be anticipated to the company by royalties—a profit of £650,000?—Yes, I am of that opinion still.

798. That would be 1s. royalty all round?—There is no reason why that royalty should not have been adhered to; but the Government, when we started here, lowered their rate to 3d. per hundred.

799. That would be 1s. royalty all round?—Not for certain woods.

800. Your estimate is 14,000 ft. of all timber per acre?—That is assuming that the line would be made to Canterbury, and we should have been able also to produce a class of wood rather inferior in character to the red-pine.

801. But still your estimate of 14,000 ft. per acre is an estimate of all the timber on the acre?—No; milling timber suitable for the present demand.

802. Does the 14,000 ft. per acre include birch or not?—No.

803. You are speaking only of milling timber that you can cut out?—Yes.

804. You say the company should have got 1s. royalty per 100 ft. all round?—Yes; 1s. per 100 ft. is not an excessive rate, considering that large portions of the land when denuded of timber is of little value—and that that was the main portion of the asset of the land.

805. When you were the author of that portion of the prospectus of the company, in what time did you expect the company to earn that £650,000?—As long as it took to complete the cutting-out of the 91,000 acres.

806. I do not see that observation in the prospectus: I think, probably, you anticipated the profit would have been made earlier?—I gave no time.

807. Then, in your opinion, at that time the £650,000 would have been spread over a considerable number of years?—Yes; one could not anticipate that such a large quantity of timber would be cut out in a few years.

808. I cannot understand why this development of the timber trade has not taken place before to-day?—There are several reasons. The main reason is that Southland was sending away timber at a great loss. The price, as we all know, was so low that it ruined nearly all those engaged in it, and that was a sufficient check upon the development of the trade here.

809. And now that the low prices in Southland have come to an end there is anticipated an enormous increase in the trade on the West Coast?—Yes, I might mention for your information that on visiting Broken Hill I saw a very large quantity of red-pine stacked, both at Port Pirie and at Silverton, that was intended to be used for the mines. That timber had been sent from the Bluff. It had been cut out of very poor timber, instead of being heart, as it should have been, for the mines. More than two-thirds of it was sap; and they attributed a great deal of their misfortune in the collapse of one of their mines to this indifferent timber.

810. *The Chairman.*] Was it sawn timber?—Yes. We could have supplied the very best of heart timber. Shortly after I left they entered into a contract with Puget Sound millers for 18,000,000 ft., which would have gone from here had the timber gone as we should have sent it.

811. *Mr. Bell.*] Do I understand you to say that each of these mills will yield an income to the railway at Greymouth of £1,250 per annum?—Yes.

812. It would be astonishing were you to know that no mill does that at present?—I think the Tekinga mill does.

813. But Tekinga has cut an abnormal amount?—All mills could turn out quite as much.

814. Why do they not?—You have now more experienced persons and capital. I might mention that the Lake Brunner mill in 1899 paid £1,281, and in 1900 paid £1,268 for the haulage of their timber; the Moana mill paid £978 15s. in 1899, and last year they paid £962, and they were only working ten months in the year. I think that proves that my estimate is reasonable. The Kotuku mill in 1899 paid £942, and in 1900 £752, but for three months they were not working.

815. And as to the other mills, have you taken the trouble to get out the figures?—No.

816. *The Chairman.*] Were the payments you mention on the Midland Railway or on the whole line?—On the whole line.

817. Is it fair for the Commission to understand that most of the wooden buildings put up in Canterbury many years ago are now getting decayed, and consequently they require an abnormal amount of timber to replace them?—Yes; at the present time many persons are arriving in Canterbury, and cannot get houses. The amount of building is enormous.

818. Does that apply generally throughout the colony?—I apprehend so. In Wellington merchants have assured me that years ago they would never dream of going to this part of the colony for their timber, and now they are asking whether they can place large orders.

819. You say there are twenty-four or twenty-five mills contributing to this 15,000,000 ft. of output?—I would not like to say that. There are a good many of these smaller mills cutting for local purposes. That, of course, does not pass over the line in many instances.

820. Am I to understand that there are twenty-four or twenty-five mills, say, from Hokitika to Reefton and up to Teremakau?—Yes.

821. Can you tell me how many of these mills were in existence before the railway started?—I should say ten or twelve were cutting for local purposes.

822. Are you aware whether there was a timber export from here to Melbourne before the railway started—I mean white-pine?—Many years before, but that had virtually ceased; they were sending timber in logs roughly hewn but not milled.