

*Mr. Martin :* Mr. Wilson, on behalf of the Armstrong, Whitworth Co., went over the bush with me, and we measured it at different places—an acre here and an acre there—and his estimate was considerably in excess of Mr. Sealy's. Mr. Snow, on behalf of Cammell, Laird, and Co., made a reconnaissance of the bush, and his estimate also was in excess, so that I think that Mr. Malfroy's statement about there being 1,600 million feet was quite true. Mr. Sealy's estimate was on the log measurement, but there is ample allowance for waste and bark. So that I think that the estimates have always been on the conservative side.

*Mr. Howard.]* Mr. Malfroy, do you think, if the company took over the cutting of this timber, that the market could absorb sufficient extra timber from this area to keep the company going—that is, with the cutting that is now going on : I mean, could they make it pay ?—There will be millions of feet dropping out within the next few years, and the users will have to get their timber somewhere.

I am looking to see where this Socialist push is coming from. All my Conservative friends are advocating that the State should do this job. I do not see why. When I advocated it there was opposition to it, and I want to see why there has been this change of front ?—You mean in connection with this co-operative effort ?

Yes. Supposing the State took it over, could they get sufficient timber on the market from this forest to make it a paying proposition ?—No, they would have to hold it back for years and years. If the State Forest Service got it to-morrow, we would have to hold it and let other people cut theirs first.

*Mr. O'Brien.]* There has been one statement made that the State Forest Service suggested the buying of the whole of the plant : has the present State Forest Service gone into that question at all ?—No, we have no funds with which to buy it. What is more, we have no machinery to function as transport ; that belongs to another Department.

*Mr. Howard.]* You do not view it very optimistically ?—We do not ; as a matter of policy, we have consistently kept off production cost. If you start putting in a railway at one place, you will have to put them in for other places. It is purely the function of the owner to put in his access.

*Hon. Sir Apirana Ngata.]* What do you think of the royalties ?—I think the royalties are as much as anybody could pay. If you could cut it out right away it would be all right, but when you have to hold it, it is a different matter. It is hard to say what will happen in forty years : a shilling becomes four shillings in twenty-five years. There are charges such as overhead and supervision that come into it. It would be thirty years in the ordinary way, but I consider that in twenty-five years, as far as the expense is concerned, it would have to be considered.

*Mr. O'Brien.]* But you say that the timber would be cut out in thirty-two years. Now, there are big areas in the South Island, in Westland ?—But they do not compete with this timber. This place will never export timber, it is too far away. The West Coast can beat them all the time, because the West Coast has only the sea freight to pay, while these people have freight to Auckland to pay. This block does not come into competition with Westland timber : that is all rimu and white-pine, whereas there is no white-pine in this block, and only 25 per cent. of rimu. There is no comparison between this and the West Coast timber.

This timber is all for home consumption ?—Yes.