

Company having bought all the timber that they can lay their hands on, with the expectation of having secured a monopoly. The balance of the timber has risen in public estimation thereby.

404. You think 6d. per 100ft. is higher than the ruling royalty for some years back?—Yes. I regret I have not got my papers with me. I did give a price, and I considered at that time, about 1884, that 6d. was too high for it all round.

405. At the present time you think it is worth 6d.?—I think that would be rather above than below the value. I should not like to give 6d. for it all round. For a portion I would willingly give 6d. and more, but for the other portion I should not be disposed to give that price.

406. Mr. Barstow in his statement says this: "Timber is worth 1s. per 100ft." That would be excessive in your opinion?—Altogether, I think so.

407. Mr. Moss.] With the railway?—With the railway. It was on the prospective construction of the railway that my estimate was based when I made the inspection. An offer was made to the Mercury Bay Company by the railway-people, and I then went up and examined the bush with the object of making an estimate.

408. The Chairman.] Your value of 6d. per 100ft. as royalty is the value for the timber with the railway constructed to carry it?—Yes.

409. And the estimate of the Kaihu Valley Railway Company of 1s. per 100ft. is, under those circumstances, excessive—nearly double what you consider to be the ruling value?—I think so.

410. Mr. Moss.] It is stated in one of the reports that there is a great deal of valuable timber of other descriptions besides, kauri, tawa, puriri, &c. I would like to ask, what would be the value of that description of timber?—There is a quantity of tawa and kohekohe; but I attach no commercial value to such timber. The only timber of value I know that grows there would be the puriri and totara. As far as I saw, when I travelled through the bush, such growths were all scattered, and consequently would be of a value to which no person in buying would give consideration or make any moment of. In bringing out that timber from the Kaihu Valley, I might mention I had an idea of bringing it out by erecting a portable mill in the bush, and in that case the haulage to the railway would be diminished by at least 25 per cent.

411. The Chairman.] The haulage to the railway?—The haulage of the railway—that is, the income which the railway would derive by hauling the timbers would be diminished by 25 per cent.; the loss in slabs, waste, and that sort of thing would be 25 per cent., and would make it 25 per cent. under the quantities I have named to you. If that were done, and I believe it more economical than bringing out the whole logs to the mills on the river, the loss in haulage would be 25 per cent.

412. Mr. Perceval.] It has been stated that with an average output it would take about ten years to exhaust the timber, and that during that ten years the line may be expected to pay. Now, do you consider that the character of the country is such that after the timber is removed there will be sufficient settlement, and produce from that settlement, to make the railway payable?—Well, there is a great deal of good land up there that would be attractive for settlement-purposes, and I have the opinion that the railway in the main is cheaper than a road. Of course it is for you to form your own opinion—it may differ from mine—but that is my impression. With regard to the railway, the line up the Kaihu Valley would afford convenience to what I believe will become an important settlement. The land is attractive for settlement-purposes, especially round the Maungani Bluff I know the soil to be excellent. The Opanake Block of 15,000 acres, which I leased from the Natives, the freehold belongs to the Natives at the present time.

413. Mr. Turnbull.] You have still that lease?—The Kauri Company have it; but it is simply a lease of the timber, and does not exercise any right upon the land, except for the purpose of getting out the timber.

414. Mr. Barron.] We may gather this from your evidence: that, whereas the company, in their memorandum to the Committee, estimated the timber at 60,000,000ft., worth 1s. per 100ft., your estimate is considerably less than half of that quantity, and you think 6d., instead of 1s., would be a fair price?—I think so; that is, taking the whole of it and averaging it. I think that would be its full value.

415. Your estimate is then less by half the quantity, and less by half the value stated by the company?—I do not know what is the quantity which is estimated to be in this particular block of land, the endowment.

The Chairman: 260,000,000ft. is the estimate for the whole of the district served by the Kaihu Valley Railway. Your estimate for that is 170,000,000ft. Two hundred and sixty million is Mr. Knorpp's estimate.

416. Mr. Rhodes.] This 60,000,000ft. is the estimate for the whole of the land put aside for the endowment, not for the land already given to the company?—That is so. The 60,000,000ft. is within the boundary pointed out to me by the Chairman on the map, and of which I understand the company have only 40,000,000ft., the other 20,000,000ft. being in the hands of the Government. I may mention to you that the 20,000,000ft. held by the Government is depreciated, if they do not own the front part of the endowment now held by the company, because it is the key to a certain extent to the 20,000,000ft., and no mere road through would facilitate the getting out of this 20,000,000ft. to the extent of the actual ownership of the front portion of block.

417. Mr. Perceval.] That block being mortgaged for £12,000, you think it would be in the interests of the Government to acquire that mortgage, to get that property if they could, in the event of their taking over the railway?—I think that this 60,000,000ft. can be worked much more profitably and effectively by having the ownership of the block upon which the 40,000,000ft. is growing.

418. You consider there is a margin of value over the amount of the mortgage of £12,000?—That is, if you take the whole block.

419. The endowment?—Yes; I think so.