

*Mr. Cooper* said the principle upon which that evidence was adduced was this: The contract gave no power to the Government to grant any licenses for the cutting of timber. The company contended that these blocks had been improperly reserved, but the Government had, nevertheless, granted licenses to cut timber upon them. The authority which the Government had given had been a breach of contract, and they had interfered with and reduced the value of the lands from which the company were entitled to select. They also contended that these licenses had been granted for purposes which did not come within the power of the Government under section 18. This was a claim more for the depreciation of the value of lands from which they were entitled to select. He submitted that any act of the Governor which was a wrongful act, and which resulted in the depreciation of an acre of land within the authorised area, was a technical breach of the contract, and he asked that the evidence might be admitted on the question of how far it would affect damages, assuming they were entitled to damages.

Hon. E. BLAKE allowed the evidence to be taken, subject to objection.

136. *Mr. Cooper* (to witness).] With regard to 74, you say a man named Hahn was cutting timber?—Yes.

137. What is the class of timber?—Birch and pine.

138. Hon. E. BLAKE.] Yes; and you say there were five or six trams there?—Yes.

139. *Mr. Cooper*.] Now 75. There is a portion of that timber, the 1,090 acres in the north-eastern corner?—Yes; it is bush land, but not of very good quality.

140. Is the timber in that portion up by Lake Hochstetter timbered land?—Yes.

141. What kind of timber?—I do not know much about it. I have not been over that portion.

142. Take Plan No. 2, on Block 70, up the Orwell Creek there is a hatched portion?—Yes.

143. Is there any timber on that?—Near the Ahaura River there is a belt of timber about half a mile wide.

144. What class of timber?—Red-pine. It is about half a mile back from the Ahaura River.

145. Do you know any one who is cutting there?—I think there are two timber-rights.

146. And in 71?—That is where Ericksen's sawmill is. It is pine and birch.

147. What class of bush is it?—It is a medium bush, about 6,000ft. or 7,000ft. to the acre.

148. When you say that, do you mean it is a marketable-timber?—Yes.

149. In Block 69—follow up the upper portions, that is the hatched portion extending into Block 71?—Yes, that is a timbered country too.

150. What class?—The same as the lower portion.

151. Is any one cutting there that you know of?—No one is cutting there.

152. And the western portion?—No one is cutting there. It is bush country.

153. All bush country, but it is not a marketable timber country?—No.

154. What kind of bush country is that?—Medium quality; rather poor.

155. And the class of timber?—Mixed bush.

156. There is a portion of 66 to the east of Mackley's: is that bush country—between the southern boundary of 66 and Brown's Creek?—That is bush country, too.

157. What kind of bush?—Something the same as that of Block 69—medium to poor.

158. Is any one cutting there?—No.

159. Now as to the other portion of 66 that is hatched—that is, the western portion?—That is what I allude to—the whole of 66.

160. Well, 65?—65 is near Mossy Creek—near the Ikamatua Plains.

161. There is a portion of that 4,000 odd acres; Mossy Creek runs through it?—Yes.

162. What class of bush is that?—Birch and pine.

163. Is any cutting going on there?—About 600 acres is cut out.

164. By whom?—Stratford and Blair.

165. What would that run to the acre—the 600 acres cut?—5,000ft. or 6,000ft. That is a marketable timber.

166. Can you tell us as to the rest of the block?—A good portion of that block is about the same. It is cut in the most convenient part first. It is the nearest place to the railway.

167. Hon. E. BLAKE.] It is the most valuable because it saves haulage?—Yes, it saves haulage.

168. Now, as to the other portion, from Snowy Creek upwards?—The bush is not so valuable there.

169. Turn over to the next plan, No. 3: 62 we will take first?—You can take the whole of the hatched portion of that map. It is nearly all bush land of not very good quality. There are little patches very good.

170. Is there any cutting on these blocks going on?—Little patches. It is about the same as I have been describing.

171. Now come to the blocks above Reefton [Plan 4]. Block 54, 380 acres?—That is a very good timber.

172. What kind of timber?—The bush on that is mostly birch.

173. That is near to Reefton?—Yes.

174. Has there been any cutting there?—Not for sawmilling purposes, but it has been cut by people for palings for fences.

175. There are 1,600 acres in Block 53?—Some parts of that are open and some parts bush country.

176. You mean ordinary bush?—Yes.

177. Has there been any cutting there?—No; no cutting in all the other hatched portions. There are no mills.

178. The bush you say is of the same description—birch and pine?—Yes.

179. Plan 5: what do you say about these blocks?—The bush in the hatched portion of 86 and 87 is no good. It is bush country, but on the southern portion it is open country, and the bush is no good. Block 89 is very fair bush up along the Big River—mostly birch. There is no cutting.