

the banks of creeks. There is not sufficient water in these creeks to bring the timber down to the tidal waters. The consequence is that large dams have to be built to collect the water and drive down the timber. These dams are erected often at a cost of £300, £400, and £1,000, and in the majority of instances they can only be used when there are "freshes" in the creeks. The timber is cut into lengths and put into the creeks; when the "fresh" comes the dam fills and the timber is floated out into the main creek. Very often, however, it requires several drives to take the timber down to the main creek. Very often it happens also that the sides and channels of these creeks are of a rocky nature. Some have waterfalls on them. The result is great injury to the timber. The logs are much damaged; very often they are shattered to pieces when they come down to the mill, and are unfit to be cut up. After coming into the main river or creek, which flows generally through alluvial flats, the river or creek assumes a considerable breadth. The result again is that the water there is not sufficient to carry the timber down to the tidal waters. There is therefore considerable delay in getting the timber down. After the "fresh" the timber has to be jacked into the creek again. This causes a considerable amount of expense. When the timber gets to the tidal water it is then brought into harbour. Men have to be employed at all hours of day and night to collect the timber and put it on the booms. This also adds to the expense. In some instances timber is known to remain in the bush-creeks for two, three, four, five, up to eight and nine years. The result is that all the sap of the timber is destroyed. After the sap has been destroyed by the bush-worm it becomes saturated with water. When it gets to the salt water it is then subject to the ravages of the saltwater-worm, or toredo, which often destroys the log altogether, perforating it through from side to side and rendering it unfit to be regarded as a marketable article. These "freshes" that bring the timber to the mills very often occur at night: the result is that a large percentage of logs get driven out to sea and are lost. Those who are engaged or have been engaged in the working of timber allow 10 per cent. for loss in that way. If this timber is not brought down the creeks and got to the mill within twelve months it very often happens that from 25 to 50 per cent. of the timber is lost through the ravages of the bush-worm and saltwater-worm. The result is that the timber when cut up by the mill does not produce more than 50 per cent. that is marketable. The present Kauri Timber Company, who own the largest bushes in the North, are subject to very great hardship in the way of having the land on which the timber grows too highly valued. An area of land containing perhaps 10,000 or 12,000 acres may not carry more than 4,000 or 5,000 acres of timber. This is scattered over the whole block; but the company are rated for the whole of the block.

2. Do you mean for the land irrespective of the quantity of timber?—Yes; in many instances they have only what is called a "cutting-right," and have no interest in the land whatever. This cutting-right extends over a number of years; they pay a lump sum for the right to cut the timber within a certain time. If through any circumstances they fail to get the timber off in that time they lose the whole of it. In the meantime they are subject to local rating over the whole block. If they do get the timber into the creek and it is not removed from there by the freshes before the lease is up they also lose the whole lot. They require to make a special arrangement with the owners of the land to enable them to get the timber out. Very often they have to pay a large sum, almost equal to the first cost of the timber, to enable them to get it out of the creek after their lease is up. There is a very wrong impression formed by a number of people as to the value of kauri timber—I mean standing timber. My own experience, and I have had a good deal of experience, is that kauri timber is only valuable in proportion to the amount of labour spent upon it in getting it to market.

3. And never in proportion to the value of other timber?—No. I myself was engaged in the working of timber for a number of years, principally shipping it in balk—that is, the timber actually brought alongside the vessel often cost me from 4s. 6d. to 5s. the 100 superficial feet. If you add the loss of timber which goes out to sea, the timber destroyed by the bush-worm and the saltwater-worm, the total amount of loss very often amounted to more than the timber realised. I think the present Kauri Timber Company should have some concession made to them with regard to local rating.

4. You say some concessions should be made in respect of local rating?—Yes.

5. Would you suggest what such concession ought to be?—At the present time the Government appear to have no power to make any alteration. The Kauri Timber Company have protested against the excessive valuations, but the Board of Reviewers in many cases have not sustained their objection. The result is that in one particular block which I know of—Opanake—they are rated for the whole of the block, which is really Native land. The amount of the valuation is, I think, £38,000. On that block there are only a few clusters of kauri timber. Moreover, the Maoris have leased the land to other persons for gum-digging purposes, but they pay no rates—those other parties pay no rates. The Maoris themselves are cultivating a portion of the block, and they pay no rates; consequently the company has to pay rates on the whole of the block at this valuation.

6. You say that the Reviewing Board had the matter under consideration?—Yes.

7. And you say they have no power to discriminate in their decision?—The land was assessed; the company came before the Board of Review and objected; the Reviewers did not entertain their objection. The company stated that they were only part-interested in the land—that is to say, that the timber was the only interest they had in it.

8. What Board of Review was it that gave this verdict?—It was partly in Hobson County and partly in Hokianga County. As I have already said, the welfare of the North depends in a great measure on the successful carrying-out of this great industry. I may state that, at the present time, in the Districts of Mongonui, Whangaroa, and Hokianga the mills are idle. When the bushes are being brought to the mills, and the mills are at work, we have a local market for all our