

Black Ball Sawmill, near Havelock, a distance of about nine miles inland, has iron rails and a locomotive engine. In estimating the whole of the forest lands the then Commissioner of Crown Lands, Mr. Clarke, gave us a rough sketch, placing the estimated area of land at 40,000 acres. That was the nearest guide we could gain. Seymour and I calculated that, including the birch on the land, it would yield 20,000ft. to the acre, and estimating with a basis of sixpenny tithes the amount of £200,000 would be secured from tithes alone. We found that the nature of the land was not what might be termed first-class land, taking the area collectively. There are small portions of good land, but very large portions of all the valleys are what you might call second-class land. The crop now on the land is the best that ever will be there, so far as we could estimate. There has been a lot of controversy in reference to this matter, and the Land Board decided that, if this land is opened up by means of the tramway, then the timber would be most valuable, but if not, the timber would be a detriment to the settlers. But some of those who reside in the place have made a statement as to the quantity of timber not being on the ground. There is one paper before the Committee which was placed on the table of the House last year, and it is from a very old settler, the pioneer of that district in fact, Mr. Turner. He found fault with the Land Board for estimating the value of the timber on the ground. But in writing that letter, as the Committee will see, he unintentionally proved the statement that Seymour and I had made. [See Appendix B.] He proved our case so far that our estimate was within the mark.

1. *Mr. Duncan.*] On an average, what would be the height of the trees?—I would say the average height would be from 50ft. to 60ft. clear. There are a great number of them that would go 80ft. or 90ft.

2. *Mr. T. Mackenzie.*] Not clear trunk?—Yes; you will get a great number of trees that height, free from all branches.

3. You mention about totara trees being 6ft. in diameter. Are they sound right through; those in the South of that diameter are usually hollow?—Many years ago I took a contract from the Government to put up the telegraph-poles from Havelock to Nelson, and it was only totara that I had to use. The only place where I could get totara was at Rai. From those who were engaged there cutting the trees for me I heard very few complaints about getting hollow trees, and we had to cut a good few trees to supply the necessary number of poles. I wish, further, to point out to the Committee that this timber can be brought from where it is growing to the seaport at a less cost than any other timber that I know of in New Zealand. About nine miles is the distance where it starts from.

4. *The Chairman.*] What will it cost to bring it per 100ft. per mile?—If the tramway was open as a Government line they would charge such a rate as would just clear working-expenses.

5. What about the interest on the cost of the tramway?—I am assuming that they would charge that in any case, but I was referring to the cost of haulage. I should say that it could be brought for something like 1s. per 100ft.

6. How many miles?—About nine miles at the start. It would by degrees be extended another fifteen miles up the valley to its head. I wish to point out to the Committee that this tramway is not only for the block we are speaking about, but there is a large area of timber-land in the Wakamarina Valley that will come out as it is required. Then, there is also the timber from the Pelorus Valley. This latter is included in the report of Mr. Seymour and myself. [See Appendix C.] I want also to put in the report of myself and Mr. Seymour, and, if the Committee are satisfied with its being put in the paper, I will not occupy your time by reading it at present. [See Appendix D.]

*The Chairman:* That will do.

*Mr. Mills:* The report from Mr. Clarke will be placed in evidence, and also the report from the present Commissioner of Crown Lands, Mr. Weetman, which can also be attached; but as the Committee will see it only deals with timber in the Rai and its tributaries [See Appendix E and Appendix F] I will just point out that on the East Coast, from North Cape down to Catlin's River, I am not aware that we have any forest-lands worth calling good bush-country. It is a very serious matter to us, for we gain a very great deal by the interchange of products with Wairau; and with a probability later on of all these Crown lands being opened up in the Awatere, it is very clear that a large quantity of timber will be required for local consumption. Therefore an interchange for timber with other products means a very great assistance to settlers in our district.

To sum the matter up, I say: This line is the key to all the splendid bush belonging to the Crown, and, if systematically worked, the timber is estimated to yield £200,000 in royalties.

It is estimated there are about 40,000 acres of Crown lands in this district heavily timbered—*i.e.*, ranging from 10,000ft. to 50,000ft.—and, including birch, the land will average over 20,000ft. to the acre. Twenty thousand feet at 6d. per hundred would mean £5 per acre for royalties, and extending over 40,000 acres it would mean the large sum of £200,000.

This timber can be brought to the seaboard with less haulage than from any other bush in New Zealand. One thousand acres of heavily-timbered land will keep a large sawmill continuously cutting from ten to fifteen years, thus finding constant employment for thirty men; whereas, if you divide the same block into 200-acre sections, you can only settle five men there, and they must have either money, friends to assist them, or work handy where they can earn some wages.

No other industry creates such wide employment, as fully 80 per cent. must be spent in wages, &c., before a hundred pounds' worth of timber is ready for the market, and the transport in coasting vessels means a good deal of work for our sailors.

The land is worth three times as much to a settler when all the sawmilling logs have been cleared away in comparison with having to fall and burn all the timber. One ordinary sawmill cuts 2,000,000ft. per annum, which, at 6d. per hundred royalty, would mean £500, and six of these would mean a revenue of £3,000 a year to pay interest on cost of purchase of the present line, and extending it to the Ronga Valley