

If it cost £40,000 to purchase and extend the tramway, the interest on that sum at $3\frac{1}{2}$ per cent. would only be £1,400 per annum, leaving £1,600 to put by every year; this, at compound interest, would redeem the debentures in less than fifteen years, thus leaving the line all clear profit, for the haulage and traffic would more than pay expenses, and eventually it will form part of a railway to connect Nelson with Picton.

The land, when cleared of heavy timber, could be ballotted for annually, and poor men will have, under this scheme, constant employment near their holdings, and not require assistance from the State.

In fourteen years hence every wooden bridge, and in twenty-five years hence every wooden building in the colony will want renewing, and this will mean an immense order, without considering the wants of an increased population.

As settlement is extended to the Awatere a large quantity of timber will be required there, and even now the interchange of timber for other products in the Wairau means procuring all our flour, potatoes, oats, &c., at 15s. per ton less cost.

Nearly all the sawmilling timber is cut out from Takaka, Collingwood, and the Waimea, consequently this in the Pelorus is the only valuable forest from Cape Farewell all down the East Coast to Catlin's River, in Otago.

The timber industry provides a continual source of employment for working-men, mechanics, sailors (transporting it), and many others without expense to the State, and it is a well-established fact that sawmillers are the best pioneers for all bush settlements, as a valuable national asset is utilised instead of being absolutely wasted.

The petitions in circulation show we all wish the district to be opened up *at once*, but we want the Government to do it in the most business-like and advantageous way. The "unemployed" difficulty will require the earnest attention of our most thoughtful statesmen, and it seems to us almost a sacrilege to waste and destroy such a great outlet for their labour when it can be utilised.

History shows conclusively what evil effects to climate, rivers, and rainfall follow the wholesale denudation of all forest-lands. Central Asia, Russia, and many other countries are now the victims of this short-sighted policy, and, therefore, when the members consider our petition, we trust they will deal with such a question of colonial importance, not from the narrow spirit of local requirements, but on the broad, comprehensive platform of a national policy. I will now ask the Hon. J. McKenzie, the Hon. A. J. Cadman, Mr. Buick, M.H.R., and Mr. John Duncan, Chairman of the Pelorus Road Board, to give evidence on this important question.

Hon. Mr. J. MCKENZIE, Minister of Lands, examined.

In the first place, the country referred to by this petition is a State forest reserve. It was set aside for that purpose years ago. After I came into office, a party made application for a special settlement in this district, and I was inclined to grant it, but immediately my attention was called to there being a large quantity of very valuable timber there. I have since visited the district myself, and have satisfied myself that that statement with regard to the timber was true, and I would have no hesitation in saying that it should be worked first entirely for its timber, only there is a difficulty in the way—that is, how to get the timber to a market. This tramway which is shown on this plan belongs to a private individual, who has a sawmill there. The tramway is his own, and it leads into the bush, which is his freehold property; consequently, he can supply all the timber required at the present time from his freehold with his own tramway. To get to our country you would have to go over his tramway, and all the timber would have to be taken by his tramway to the seaport. The only other way would be to carry it by drays, and it would be impossible for the leaseholders to get anything for their trouble of taking the timber off if they had to compete with a man with a tramway. They would have to use dray-traffic, or make a tramway of their own. My own opinion is that it will be impossible to utilise this forest reserve without a tramway. And then the question comes, Can we see our way to purchase the tramway? If the tramway belonged to the Crown there would be no difficulty in disposing of areas for sawmilling purposes in this valley, and a large revenue would be got from it, and then we would have the cleared land for settlement purposes afterwards. But the question of the tramway is the drawback. This gentleman wants a large sum of money for it, and that sum of money would be a very serious item in connection with the opening-up of country. Then, if we discarded the timber altogether and opened up the land for settlement, that would be done, I have no doubt. Then, we have a fresh difficulty to meet in getting the reserve removed by both Houses of Parliament, because we could not put a report before either House that there is not very valuable timber there. The question is, whether the Government should open up this land by getting possession of the tramway, or making one of their own to open it up, or discard the timber altogether. In any case, this is a block to the settlement of the district.

7. *Mr. T. Mackenzie.*] How much do the owners of the tramway ask for it?—They ask £20,000.

8. What is it worth?—The sum that they ask for it is far more than it is worth. This man has got the key, and he will not give it up for nothing.

9. *Mr. Hogg.*] The tramway goes over his own property?—Yes.

Mr. Mills: This tramway cost considerably more than the present company ask for it. The original company consisted of sawmillers here, and they carried it to a certain point—only about four miles—and found their funds insufficient to go on with it. The present owner, Mr. Brownlee, bought it, he having the largest interest in it in the first place; and since then he has carried it on for another five miles. There is a very large cutting they have had to go through.

Hon. Mr. McKenzie: No doubt that tramway cost a large sum of money. The real value at the present time is that Mr. Brownlee, the present owner, is cutting bush at his command all up the line, and can keep the tramway going. He has advantages that belong to him.