

lowest flats, which are nearly awash with the Grey River. Then, there are terraces of land in the shape of a plateau rising to low hills beyond, dropping again to a wide depression of lower-lying lands, and then again rising to the main range of mountains about eighteen miles away from the Grey River. Some parts of the intermediate hills are rough and craggy; but, in my opinion most, you may say the whole, of this country is covered with bush. The good available land is more or less patchy, but the country is suitable for grazing; in the first instance cattle being put on, and subsequently sheep. What is going on in most of the other parts of the colony is going on here to a small extent—namely, sheep are replacing cattle. Possibly those who hold the freehold have the best lands, but there are other lands nearly the same. The land varies from better to worse right through. How long it may be before these lands are settled I cannot say, but that they have a value for settlement, if there were no gold-mining to prevent other settlement, I have not the slightest doubt. The best answer to the contrary opinion is that the people of the district are ready to buy parts of them for settlement purposes, and give us fair prices—from £1 to £1 10s. an acre. Even, in cases near a town like Reefton, they give £2; but that is an extreme price for land distinct from timber.

34. *Mr. Mills.*] Does that statement apply to the whole area of 94,000 acres?—Not to the whole.

35. To what proportion of it does this general statement you have made apply?—I am putting aside for the moment the gold-mining part of the subject, and I am speaking with reference to settlement for other purposes, and I say that the Grey Valley is suited for settlement purposes, and if there were no gold-mining whatever to prevent the spread of other settlement, it would realise prices from 10s. to 30s. an acre; but this would, of course, take a number of years. I mention this to give you an idea of the value of the land, by showing what it would fetch apart from the question of mining altogether, assuming that the gold-mining were not there.

36. *Mr. Wilson.*] Has the company made endeavours to develop the timber-trade; to foster trade generally on the Coast with a view to encourage small people?—There is now some timber-trade on the Coast. When the company came there, there was no timber trade. There had been some little trade many years before, but there was none when the company came. The company, therefore, allocated a certain amount of capital to the purpose of starting a timber-trade; that is, by letting contracts to the saw-millers to cut so many million feet of timber, with a view to opening up the Australian market, the Canterbury market, and eventually the English market. Under these contracts four sawmills were started along the railway-line, which had not been previously in existence. These people have been supported solely by the money that was paid to them by the company, for there was, at that time, no outside trade. Now the outside trade with Canterbury and other parts of New Zealand is fairly started, for the sawmillers are beginning to get direct orders outside the company. The Australian trade has not been satisfactory; on account of the collapse of the building trade there; but for this there would be now more mills working along the company's railway than are working now.

37. Did the company take up this with the express idea that the millers should receive the profits of their mills, while the company were to receive only the profit on the traffic and royalties?—The company had no desire to monopolize the timber-trade in any way, but there was no other way of starting a trade. The company did not seek to make merchants' profit on the timber. They only sold for what they gave the millers; the millers having first to pay royalties and railage over the company's railway. The company has been selling actually at the same price as they gave the millers, making a profit only by royalties and the haulage over its line. Of course the company's object was to meet the absolute necessity for proving not only the value of the timber which formed part of the land-grant, and that it could be sold, but for the purpose of getting population along the line, because they had great hopes that as the millers cleared off the timber settlers would follow, either in the shape of some of their own hands or of others, tempted by the fact that the heavy and expensive clearing had been done.

38. I think Mr. Gordon made the remark that the company had been "tormenting" the miners. Is this the case?—I am not aware of the company tormenting the miners, nor do I know in what way the miners have been tormented. I think Mr. Gordon has made a mistake, or that he has been misinformed. If anything of the kind had been done I should have been the person to do it. The only ground I can imagine for the statement is the following curious incident which happened in the earlier days of the contract: A man applied to the company for a certain timber-area. He had a sawmill near the line. In order to get the timber business started fairly and as soon as possible, I eventually arranged with the Government that a license should be given to him. A letter was written to carry out this arrangement, so that he should have the license. The next we heard was a complaint from this applicant, stating that if the company did not take steps to prevent other men from cutting timber out of this area he would not be willing to take up the license; and he complained that the people who were cutting the timber were doing so without authority. In consequence, one of the company's officers made a representation to these men, and asked them whether they had any licenses; and, as they had no authority to cut timber, they were warned not to do so. We told the applicant of this. The next I heard of the matter was a letter from the applicant, which I saw in Wellington, stating that the company had prevented some miners from cutting timber, and that he thought it was hard that the company proposed to charge him a royalty of 6d. a hundred; and that as a consequence he, who had previously been supplying timber to miners, would have to charge more to the miners in future. I at once stopped any further negotiations with this applicant, and the result of it all is this: the advertised prices for timber at that place were then from 12s. to 16s. a hundred; similar timber is now available on the same spot at from 5s. to 6s. a hundred.

39. The miners get the benefit of that?—Yes; they can get their timber that much cheaper from other sawmillers, who are paying the royalties that they used to pay to this man before the railway was made.