

I would like that recorded?—No, I have not had the proposition put that way; I have not discussed that matter with my company.

Will you put that proposition to your company—whether, in the event of this six-months extension being granted, and at the end of that time the Duncan project not materializing so that the Tongariro Timber Co. falls to the ground, that your company, in such case, will undertake that it will then make no claim upon the Natives or their interests in respect to any moneys?—I think that position is very clear. If that were done by the creditors the Natives would say, “Cancel the whole job.”

No, we do not say that?—I would say straight out, “No.” I think my company will say “No” to that question.

ARTHUR JAMES SEED examined. (No. 4.)

*Witness:* I want to submit to you, Mr. Chairman, and to the Committee, copy of a letter which my federation wrote to the Prime Minister in September last, as follows:—

The Dominion Federated Sawmillers' Association,  
Employers' Federation Buildings, Wellington, 19th September, 1929.

The Right Hon. the Prime Minister, Parliament Buildings, Wellington.

DEAR SIR,—

*Tongariro Timber Areas.*

As it has been the policy of this federation and of the sawmillers of New Zealand for a number of years past to use every means possible, and encourage and support every movement, for the true conservation and proper utilization of the Dominion's remaining forest resources, and as we understand that a favourable opportunity is now available for your Government to acquire the interests of the original Tongariro Timber Co. over the last remaining considerable area of mixed milling-timber lands in the North Island, we would most strongly urge that your Government should so acquire it.

The annual report of the Director of Forestry—recently presented to Parliament—stresses the fact that the sawmills already established in the Dominion “have a producing-capacity at least 100 per cent. in excess of the present consumption.” This circumstance will tend to perpetuate the sorely depressed state of the industry and lead to great waste in conversion. It also tends to prevent the possibility of any higher degree of efficiency in production.

If, therefore, the Tongariro area were to be brought upon the market under conditions that would of necessity entail its immediate development and the throwing upon an already saturated market of a considerably increased volume of sawn timber—as, indeed, we understand, is the intent of the development syndicate—then the present confusion of the sawmilling industry would be worse confounded, and the general security and value of standing timber of whatever tenure would be seriously depreciated. This depreciation would, of course, affect all timber holdings, including the great reserves of State forests, as well as the Tongariro area itself.

The most serious result of any such early development of the Tongariro block, however, would be the enormous waste in conversion in all our forests, already referred to. Such inevitable waste spells the unnecessarily early destruction of the Dominion's remaining forest resources.

To us, therefore—who have some comprehensive knowledge of the general timber situation in New Zealand—the right and proper thing to be done with the Tongariro Block seems to be that it should be made the property of the State, to be conserved and jealously rationed out to the sawmilling industry as and when the necessity arises for greater supplies of timber for community needs.

We again strongly urge the necessity for your Government to acquire the Tongariro timber area, and respectfully submit these representations for your serious consideration.

Yours faithfully,

For the DOMINION FEDERATED SAWMILLERS' ASSOCIATION,  
W. J. BUTLER, President.  
ARTHUR SEED, Secretary.

I have very little to add to that letter. The reference I have made to the State Forest report is to the last annual report of the Department presented to Parliament. In the first place, they say that the average mill value of timber produced in New Zealand depreciated for the year ended 31st March, 1928, to 18s., as compared with 19s. 2d. for the preceding year. This decrease in the general value of the timber produced in New Zealand is due to overproduction, and this overproduction of timber entails enormous waste. When the market is saturated the demand is only for the higher grades, and the lower grades that are mostly found in the top logs are left in the bush to rot. The miller, when he is able to find a market for only the higher grades, naturally severs the lower grades from the log at the first point of working. The other statement of the Director of Forestry in respect to the milling industry was as to the causes for this decline in production. He says: “The causes for this are all interrelated and more or less well known. New Zealand mills have a producing-capacity of at least 100 per cent. in excess of present consumption.” I do not propose to say any more, Mr. Chairman.

*The Chairman.*] You have heard of the sliding scale—how it rises over a series of years to the highest stage?—I am not very intimate with that.

But you have heard the evidence given here this morning?—No, unfortunately; I was called away to another Committee.

Well, the proposal is that for a series of years the amount would be £9 per acre, and then £13: would that have the effect of hastening the utilization of the timber within the earlier years of development?—I think that would be very natural—if the sawmiller had the capacity to utilize it in the earlier period.

But it certainly would not tend to conserve the timber for future use?—That is so.

*Mr. Martin.*] Have you considered what would be a fair value for that property?—No.

Have you any knowledge of the values of that area at all?—Very vague. I have not spent a great deal of time in that particular district, except around the mills that are operating there.

*Captain Rushworth.*] What do you think of 1s. per hundred feet in the log as a royalty?—That would be equal to 1s. 6d. in sawn measurement.

What do you think of that as a royalty?—According to species, it is quite high enough for rimu. It depends upon the accessibility. Accessibility, quantity per acre, and contour or physical characteristics of the country upon which the timber is growing fix the royalty value.