

the whole country. Considerable extension of settlement is taking place in the Marton No. 3 Homestead Block. The Marton No. 4, Gladstone, and Horopito Blocks were originally subdivided for small settlement; but that operation certainly took place at too early a period, considering the great difficulty of access and the distance from markets. It seems to me to be fortunate, so far as the State is concerned, that the holdings were abandoned, for the reason that it enabled the Government to conserve valuable forests for milling purposes. After leaving Marton No. 4 Block the line passes over the elevated plateau of Waimarino, and then falls by long grades to Taumaranui. In regard to the country contiguous to the railway-line, I have proposed that it shall be created a State forest, to be extended so as to embrace the extensive totara and maitai forests to the westward of Wakapapa River. After deducting these proposed reserves the balance of the Waimarino Block, as far as the Wanganui River to the west, comprises rough, hilly land. The south-west part is of average quality—will, I am satisfied, when cleared, be capable of carrying sheep profitably. The northern portion of this area has been affected by the volcanic discharges from the Ruapehu and Tongariro, and therefore the land is of a lighter and more inferior quality. Fortunately this is counterbalanced by the fact that portions of it carry splendid milling timber. I will now speak of the lands to the eastward of the railway-line, between Ohakune and Taumaranui. I may say it appears to me that the National Park should be extended so as to come right down to the railway-line, and even, as I before indicated, across it, not only on account of the generally inferior character of the land and its great elevation, but because I believe that in the future the forest will be utilised by milling, and because the natural beauty of the country, from a landscape point of view, is among the best in New Zealand, and, with the great attractions of the volcanic ranges, this area is admirably adapted for a great National Park for the people for all time. The Crown already possesses the whole of the area indicated in red on the map, and partial effect has already been given to these suggestions: some of the blocks in their vicinity have been gazetted for reservation. These lands to the eastward which are conserved, or proposed to be conserved, have been used for grazing sheep, but it is not by any means of good quality. Further away to the eastward, and within the twenty-five miles limit, the Natives still hold extensive areas. The country to the south-west, south, and south-east of Tokaanu comprises forest and open land. Tokaanu is well known for the excellent properties of its thermal springs, and it should in the future, owing to its contiguity to the noble sheet of water, Lake Taupo, become a great health and pleasure-seeking resort.

30. Would the construction of the North Island Main Trunk Railway afford greater facilities for people at the south end of the North Island to visit the thermal springs as a health resort?—No doubt, it would do so. By branching off at Waimarino there would be no difficulty in bringing the railway within a few hours' journey of the springs.

31. How far is the Ketetahi Spring from the railway?—I think, in a straight line, it would be about fifteen miles from the railway-line. The spring is on the northern slope of Tongariro.

32. The Maoris say that is the only efficacious spring for the cure of what is supposed to be leprosy?—South-west of the line at this part the Maoris still hold considerable areas of land on the banks of the Wanganui River.

33. What is the name of that block?—They are spoken of as the Waimarino Native Reserves, and Mr. Lowe, the District Surveyor, who described these lands, possesses an excellent knowledge of the country. To last year's return I ventured to append a note concerning the probable value of the forest within the ten-miles limit. The area was there stated at about 91,800 acres, and it was assumed—it was simply an assumption—that each acre might turn out 7,000 superficial feet. I think £3 6s. per 100 superficial feet would be the cost of converting it into scantling-boards and other suitable building material. The area, which we consider to be mainly milling country within the present limits of twenty-five miles, we roughly estimate at 130,000 acres. No estimate, based upon actual inspection and appraisal, has ever been made to ascertain the probable output of these great forests, and I wish it to be distinctly understood that the figures given are based upon the knowledge one would acquire by merely travelling through the country, and by conversation with members of the survey staff and the Rangers. Of that 130,000 acres it is estimated by Mr. H. J. Lowe that there are 75,000 acres of Crown lands and 55,000 acres Native lands. There are also extensive areas of milling forest upon the freehold and leasehold lands. This estimate of £3 6s. per 100 superficial feet for converting forest-trees at the mill into suitable building materials is considered to be moderate, and has been confirmed by various persons with whom I have discussed the matter. One well-known sawmiller holds the opinion that the cost of the labour for converting forest-trees, based on the average in his district, amounts to about £18 an acre. I have always been struck by the fact that there is no more profitable or superior labour-employing industry than that of converting the forests into constructive materials. The whole of the expenditure, except the erection of the mill, the equipment thereof, and the purchase of some additional materials, goes to pay the labourers who do the work. The labour employed upon the structures, clearing for and laying-down the tram-lines, felling, hauling, handling, and conversion of the trees into building material, practically represent the whole estimate. This does not include carriage to the railway-station, conveyance along the line to the town or place where the timber is required, and the subsequent carriage from the station, handling, and working-up of the material. In fact, there seems to be no industry to compare with it in the utilisation of the natural resources of a country. Consideration of the vast employment of labour and expenditure which would follow on the opening of the Waimarino Forest will, I feel sure, prove a very great factor in the determination of the route of the North Island Main Trunk Railway.

34. You need railway communication to open up this forest?—Yes. You cannot utilise this timber without a railway. Mr. H. J. Lowe, the District Surveyor, has made an estimate of the carrying capacity of the whole area described in the schedule. After the necessary forests have been cleared away either for milling or by the actual felling, burning-off, and cultivation, deducting