

kauri in the Australian market. But, added to the difficulty of the company in meeting outside competition, we at present have to pay, or rather shortly will have to pay, a much larger amount than formerly. I will give as an instance the block of land called Opanaki, on the Wairoa River, which contains 14,000 acres: less than one-third of that area is covered with kauri, and under the new system of taxation we have to pay on the whole of that block of 14,000 acres.

1. *Hon. Mr. Mitchelson.*] That is, the land-valuation under the present system of taxation?—This company has to pay, roughly, £2 15s. per acre, or, practically, £8 5s. per acre on the quantity that contains kauri timber. The local bodies also have assessed all the moveable machinery in the mills belonging to this company in the Wairoa. Application has been made to them for relief in this matter. It was also represented to the Court of Reviewers, but, so far, the company have been unable to obtain any redress. The matter has also been represented to the Government and the Commissioner of Taxes. This gentleman states he is powerless to give us any redress in the matter; therefore, we are called upon to pay this large amount for machinery, which is admitted by the Commissioner of Taxes to be unjust. It is possible, in order to obtain the rights to remove kauri from a block of land, that the company would have to take up, say, 30,000 acres of land on which they might have only 10,000 acres of kauri. No insurance office will accept a risk of insurance on the standing timber. In order to be protected from fire, the company is called upon to pay rates and taxes on a huge area of worthless land in order to protect the timber standing on a small portion of the block only. When that timber is placed in the river a portion of it will remain in the river for a large number of years—sometimes as long as from ten to fifteen years—awaiting a fresh. From time to time it is driven by floods or dams nearer to the mill-booms, and every year it is necessary to spend large sums in placing these logs in the centre of the stream ready for the next fresh, in order that they may be brought still closer to the booms. During this time the company is called upon to pay compensation to the settlers (who usually take up land on the banks of the stream), who for any small amount of damage usually claim a large amount of money. The company is not only called upon to meet the competition from the Baltic, from the United States, and Canada, but we have to pay 7s. 6d. to 10s. 6d. per day of nine hours, against the Swedish rate of 2s. per day for twelve hours.

2. *The Chairman.*] Have you any suggestion as to how we could put you in a better position?—If in the case of our having the right to remove timber only off the land we be exempted from taxation on the adjoining lands, some of which is cultivated by the Native owners, and who let the rights to dig gum to other parties. We are called upon by the Government to pay a high rate of taxation on the whole block, a large proportion of which would not sell for 2s. 6d. per acre. In other instances where we make a profit we are compelled to pay taxation on such profits. In the case of Opanaki, we have to pay at the rate of £2 15s. per acre on 14,000 acres. On this block we have no other rights than to remove the timber. Four thousand six hundred acres is in reality only available for the company's work, while the 9,400 acres is used for gum-digging purposes, a portion also being cultivated by the Natives, neither of whom pay any taxes, although deriving a direct benefit from the land. We also claim that kauri land is of no value until the trees are removed; therefore, we should not be taxed on the theory that trees enhance the value of the land, for we have to pay taxes on our profits realised when the timber is sawn further by removing the trees. We open up large areas for settlement, thereby saving a large outlay to intending settlers, who can at once burn off the rubbish and sow grass-seed. There should be a distinction between the rating of the blocks on which we have the right to remove the timber only. In the first case, our rights extend over a small portion of the block; other parties enjoy the right of cultivation on the largest area. In the second case, we are forced by the Native owners to take an immense quantity of land, in order to secure and protect a small quantity of standing timber.

3. Are we to understand that you are charged rates on the land of which you have only the right to cut timber?—Yes.

4. And other persons cultivating and using the land pay no rates?—Yes.

5. Is there anything else you would suggest to improve your position?—I am not prepared to make any other suggestion at present.

6. *Hon. Mr. Mitchelson.*] What is the duty charged on timber in Sydney and Melbourne?—1s. 6d. per hundred on rough timber, and 2s. 6d. on dressed, and 1s. 6d. on rough timber under 7in. and 2½in., and 2s. 6d. on dressed timber.

7. *The Chairman.*] Do I understand you have made representations to the Government in reference to the new taxation proposed to be imposed?—Yes, several times.

8. Which is your largest market, Sydney or Melbourne?—They are about equal.

9. Do you trade with any other ports in Australia?—Yes, Adelaide, and Hobart in Tasmania. I may also state that the company has spent a considerable amount of money in opening up markets in France, in Germany, and in London; also in Liverpool, Glasgow, and Belfast. We are also endeavouring to get it used by the organ-manufacturers of the United States.

10. *Hon. Mr. Mitchelson.*] Is the kauri timber supposed to be of a better quality or more durable than the Baltic Oregon timber?—Yes. First, the Baltic is grown in small trees, contains more sap, and is coarser and more open in the grain; therefore, its lasting-properties, exposed to weather, are much inferior to the kauri.

11. *Mr. Duncan.*] Do you know at what rate the valuation is made? Is it struck at £1 per acre all over the land?—That rate, I understand, is struck upon that basis.

12. The valuation rate over the whole of the land is made at the rate placed upon it by the Government valuator?—And the rate is struck over the whole, although perhaps not more than one-third of the entire area is covered with timber.

13. Then, is the Committee to understand that you object to the land being set down at that valuation?—Yes, we have applied to the Court of Reviewers for relief, and have urged that we should