

be relieved from paying increased rates on that portion of the land where there is no timber, and which is used by the gum-diggers, and in some instances by the Natives for their cultivations, and also the timber being considered a factor on which the rate is increased many hundredfold, as we pay taxes on the timber when sawn and disposed of. But the Court of Reviewers has been unable to grant us any relief. Considerable portions of the block are made use of by others, and the company does not think it is right to pay any taxes on these portions.

14. You likewise complain of the expense you have been put to arising from the damage occasioned by the logs when being floated down to the booms?—Yes. I mention that to show the hardships of the case, and as additional evidence of the great expense to which the Kauri Company is put.

15. You say that the land along the banks of the river is from time to time being taken up by settlers?—Yes, they take up the land, and a great deal of the river-frontage has been taken up since the company and its predecessors commenced operations.

16. Are these settlers freeholders?—Yes, in many instances they are.

17. *Mr. Lawry.*] What effect, speaking from your own experience, has this tax had upon the development of the kauri-timber industry?—Its effect has been to keep five or six mills closed down, and it is a reasonable estimate to make that the stoppage of these mills has thrown at least 300 hands out of employment. Then, again, it has had other prejudicial results. These mills in operation created a local market. The settlers had a profitable market at hand for the sale of their produce. That market is also closed. Now they have to go further afield to find a market, and, in doing so, their profits are pretty well swallowed up.

18. You think, then, that if this taxation was removed it would be generally beneficial to the whole district?—Certainly I do. Not only would it be a boon to the Kauri Company, but it would be equally a boon to the small settlers. In other respects it would be also beneficial. It would not only be a direct source of income to the settlers; it would enable them to be profitably employed at the very time they would want assistance in clearing their land. Besides, it would provide shipping freights for Melbourne and Sydney, so that vessels at present lying up, and coming to New Zealand ports, would be insured return freights.

19. You were speaking about the much cheaper labour in the Baltic and at the Pacific Slope. Can you say the difference between the price of labour at these places and the price paid for similar labour in New Zealand?—Here in New Zealand ordinary sawmill labourers are paid at the rate of 7s. 6d. for nine hours' work per day. In the Pacific they are paid a dollar (4s.) and food for a day's work of ten hours. In the eastern States they work twelve to fourteen hours per day for 4s. to 5s. and food, which costs but little, during the summer season, which lasts from five to six months. During the remainder of the year they have to take any other work they can get, and during that time it is no uncommon thing for the skilled choppers to go to the forests, where they earn not more than £3 or £4 per month and their food.

20. Do you get no benefit from the persons digging gum on your sections?—Generally speaking, no. Any person is at liberty to dig on the company's lands. The only stipulation we make with them is that they do not fire the timber.

21. You do not derive any revenue out of them? No, not as a rule. In one or two instances we ask for a small license-fee in order to discourage bad characters, but the revenue derived from this is not considered worth accounting for. In the case of very valuable bushes in the North we have arranged with the local people for the right to dig gum on these blocks, but every digger who will promise not to fire the bush has permission to work on this block as well as all others belonging to the company. The company's aim is to encourage every respectable digger, for from this class the danger of fire is minimised.

22. *Mr. Smith.*] Is it a fact that all ships taking kauri to Australia bring back coals at a cheap rate to Auckland?—No; the last freight quotation is 9s. 6d. per ton, and two-thirds of the ships do not touch at Auckland. They trade from the West Coast to Australia, and return in ballast.

23. *Mr. Lawry.*] Would a tax on exported bulk timber benefit the company?—My company has never moved in that direction.

24. What amount of duty would be required to prevent its export?—I have not considered that question, but I should think that the cost of handling and sawing, say, 3s. per 100ft., would suffice. It would also benefit the settler, who would gradually clear his kauri-land and sell his timber in small lots to the nearest sawmill, whereas at present he has to collect a shipload which is often consigned to a distant market, and the returns after deducting charges are seldom satisfactory.

MONDAY, 29TH AUGUST, 1892.

Mr. R. M. HOUSTON, M.H.R., examined.

1. *The Chairman.*] You have expressed a wish to give evidence in regard to the timber industry. I have, therefore, requested your attendance here to-day for the purpose of giving us any information you can on the subject. You were here when Mr. Broad gave his evidence?—Yes; I was sorry I was not able to remain that day when Mr. Broad gave his evidence. As I heard it all, that will save me going over the same ground. I shall endeavour to be as concise as possible. The kauri-timber industry, I need hardly inform the Committee, is the principal industry in the North. Unless any person has a knowledge of the working of kauri timber he cannot possibly conceive the difficulties under which we labour in carrying on this industry. The kauri timber, you may be aware, is very much scattered. The country where the timber grows is very broken. The result is that it requires a great deal of expenditure before the timber can be brought to market. The bulk of the kauri timber grows in clusters generally at the heads of gullies or on