

4. That is according to their own arrangement?—I do not complain about it, but simply say that as a matter of fact we are taxed for the value of the timber held for sawmilling purposes. The land is taxed separately, and the milling-timber is taxed separately from year to year. That is to say, we are taxed on the same timber over and over again. Supposing a fire occurs after you have been paying taxes for years. You get no compensation because you have paid your taxes, and you get nothing. What I ask the Commission to note is, that the Government levy these taxes, and then they pay a subsidy for the importation of foreign timber to compete with this very timber we are paying the taxes on here.

5. That subsidy has been done away with?—I was going to say that—it is finished.

6. You are getting more of this timber since it was finished than you got before?—Ten thousand pounds was paid in subsidy, and it seems hard that the tax we are paying on the timber which we are prevented from milling, because of the importation of Oregon, should go to pay the subsidy.

7. But every one knows that it is not the Oregon that has stopped all the mills?—I said that it is a secondary cause, the depression in the money-market being the primary cause. But there is no doubt that some five or six million feet have been imported into Wellington, and that timber has displaced that amount of timber that is now lying unsold at the various local mills which have hitherto been supplying the Wellington market.

8. Is there anything you wish to add?—Yes, I wish to refer to the question of the creosote that is used for the creosoting of the Government timbers. I ask why should not that be manufactured in the colony? Some time ago I understand that Dr. Levinge made some proposal to the Government to utilise very large quantities of rata we have in the New Zealand bush, and which is of no use at present, but rather a detriment. He said it was the best timber that could be obtained for producing creosote and other by-products. It seems a loss at present, and I suggest that the Government should offer encouragement for the starting of this industry. Now, as to the strength of Oregon, here is the result of a test, made about a year ago in Mr. Robertson's foundry, of the breaking-strain of rimu and Oregon pine: 12 by 2 rimu stood a hydraulic pressure of 210 lb. to the square inch before showing any sign of fracture; 12 by 2, the second piece, which had a slight diagonal resin-shake, stood 190 lb. before it broke along the line of the shake. The 12 by 2 Oregon went into splinters at a pressure of 145 lb. The above test took place at Mr. D. Robertson's foundry on the 27th July, 1908, in the presence of several timber-merchants and sawmillers. Certain provisions in the Wellington City by-laws also go to prove that Oregon is in every instance inferior to rimu. A good deal has been said about the duty that is imposed on Oregon, but there are a good many raw products on which the duty is very much heavier.

9. What are they?—Spirits, for instance, and tobacco.

10. *Mr. Field.*] The question was asked as to whether there was any duty on raw products. I do not suppose that you regard tobacco as a raw product?—I do not, but it is a manufactured product.

11. *Hon. the Chairman.*] Is that all the evidence you wish to tender?—I should like to put in an extract from the *Australasian* of the 15th May, 1909, relating to the Creswick School of Forestry. It is as follows: "I recently spent an interesting day, in company with Mr. J. Johnstone, Superintendent of State Forest Plantations, in rambling over the Creswick State Forest, which is quite close to the town. The reservation contains 1,300 acres, and about 700 acres of this have been planted, partly with eucalypts and partly with pines and other exotic trees. The soil is very poor, and the gullies were turned over half a century ago by diggers in search of gold. In spite of these drawbacks, excellent work has been done on this plantation, especially during recent years, under Mr. Johnstone's management. Some of the pine plantations are fifteen to eighteen years old, and they are now being thinned out. The timber is sold for making fruit-cases. The trees were all hand-planted, 8 ft. apart each way, there being thus 680 to the acre. Alternate trees are thinned out to make room for the others. In the best patches as much as £100 per acre is obtained for the trees taken out. It is proposed to establish a school of forestry on the Creswick plantation, and preparations are now being made to receive pupils. A fine residence in the town, adjoining the plantation, has been purchased for class-rooms and dormitories. Several trainees have been at work in the Creswick plantation, under Mr. Johnstone's care, for some years, and they have done excellent work." I have also here a statement from a sawmilling company which has been intrusted to me to be left with the Commission, if you wish to have it. It could be verified.

12. Is it to be treated as public or private?—It is not to be published, but considered in committee.

13. What is the nature of the statement?—The gist of it is that it shows that the production of timber by this large company is costing something like 9s., and they have made about 6d. per hundred feet profit by an expenditure of some £25,000 for a year, producing some five million feet of timber. That is an audited account, and the books can be produced and you can verify it, but it is not to be published. Those are my instructions. [Document produced.]

14. *Mr. Field.*] Have you been milling for a long while in the Hawke's Bay District?—Yes, for the last twenty years.

15. Have you millers been of any help to the settlers?—I think so, in very many instances. The settlers have been able to get good royalties for their timber, which otherwise they would have had to burn.

16. You have really helped them materially, have you?—There is no doubt about that.

17. Have you given them work to do as well?—Yes. A good few men who used to be sawmill hands have now sections of their own.

18. I suppose there have been large millers and small millers in that district?—Yes.

19. Do you ever find that the large millers take advantage of the small millers and push them out or undersell them, or do they treat them well?—I think the small millers have always been protected by the large millers—in fact, I am sure of it.

20. Do you think that by putting an increased duty on foreign timber, particularly Oregon, we should be doing any harm to any other class of workers in this country?—Certainly not. The