

You have no particular comments to make upon that royalty?—No.

You mentioned the fact that the market is saturated: is it not a fact that a good deal of timber-substitute is being used?—Yes. The position of the timber-market is such at the present time that it is very difficult to accurately tie down to any one cause the slackening in demand.

Is it possible that the slackening in demand could be caused by too high prices?—It is possible, of course, yes.

If the prices were too high?—The present prices may be such as to allow substitutes to come in and undersell our timbers.

If prices were too high the natural effect would be to encourage the use of substitutes?—Yes; and on broad principles I consider that it is the proper function of the Government to use some measure of control over a national asset such as timber. Where it is held by the Crown and private owners the Crown or the State should exercise some governing influence on the rationing of available and possible supplies of timber to the requirements of the country, because it is not an easily replaceable State asset.

This timber, of course, is the property of the Natives, and it is a business proposition that they are considering?—That is so.

Do you suggest that the Government should interfere in business?—Where the interests of the State are paramount, certainly—where the interests of the people are paramount—it is being done every day.

And if the Natives do not wish to sell they should be compelled to sell?—I would not go that length.

You think that the Government should make a better offer?—I think that the Government should exhaust every possibility of State acquisition, if it can be got at a price that will leave the State with a reasonable margin for its rational exploitation as the years go by.

*The Chairman.*] You are not suggesting that the State should utilize it themselves: you are suggesting that the State should utilize it as a State asset, and then allow, if necessary, private enterprise portions from time to time as the demand grows?—Yes, as the demand warrants.

You do not suggest that the State should take the timber and run a State mill?—Certainly not. God forbid!

*Mr. O'Brien.*] Mr. Seed, you say that were this area to be cut out it would flood the market; yet if the timber-millers had their Australian trade back, and the importations were kept out of the country, could not this area be exploited if there were about 100 million feet a year affected in comparison to what was done fifteen years ago?—The production of timber for 1926 was 356 million feet; the production for 1928 had fallen to about 270 million feet: the fall in two years was nearly 100 million feet.

*Mr. Findlay.*] Due to a shortage in supplies?—No.

*Mr. O'Brien.*] A few years ago we exported nearly 100 million feet a year to Australia, and we were milling about 30 million feet a year less than we are milling to-day, which is a rather big quantity. If that trade were got back this timber could be exploited. It has been said that about 30 per cent. of the timber in these blocks is totara. What would you consider a fair royalty for totara? I understand that some millers pay 8s. per hundred feet for it?—I have instances of that being paid; but a large part of the value is represented by ease of access, its proximity to rail, the quantity per acre, and the ease of working.

But a large portion of this area is easy of access, so they tell us?—I understand that there was a large capital outlay to be expended before they could reach it.

*Mr. Martin.*] You referred to the possibility of the millers leaving the poor timber and taking out only the best of the log, and leaving the rest to rot: with the substitutes that are now being used, is it not a fact that various timbers are being used?—There has been no utilization of such timbers in New Zealand; there is a certain type of wallboard which is not proving satisfactory to this climate.

You take the large number of ferro-concrete places that are being built: what about all the boxing—that is a poor kind of timber?—That is very largely *Pinus insignis* which is being used for that now.

On account of its lightness?—Yes, and because it does not stain. A number of New Zealand architects would not permit the use of any New Zealand timber save *Pinus insignis* for that purpose, owing to the fact that our other woods are supposed to leave a stain on the concrete.

Can you tell us the result of investment in timber-mills in recent years: are they paying good dividends?—I know of none that are paying good dividends; I know of quite a number that have not paid any dividends for quite a number of years.

*Mr. Hampson.*] Mr. Seed, your association would not desire the Crown to acquire timber from the Natives at a price that was less than a fair proposition?—No.

*Mr. Findlay.*] There is a statement made that the output of sawn timber in the North Island was approximately 150 million superficial feet, and the chief contributing districts for totara and matai are the Main Trunk and Rotorua regions, and that it is considered that within a few years production will diminish in these regions: do you understand that it will diminish there because it will be cut out?—There are some mills which will be cut out in a certain number of years.

But not of totara and matai?—Possibly not.

Here is another statement before the Committee: The wood requirements of Taranaki, Hawke's Bay, and Wellington Provinces must come from the Main Trunk region, and the end of available supplies within economic tramming distance of the Main Trunk Railway is within sight?—It was within sight twenty years ago.

This is another statement: The Tongariro area must be considered as the chief future source of supply of totara and matai, if it can be produced at a price in competition with the imported redwood, cedar, &c.?—I do not know about that.